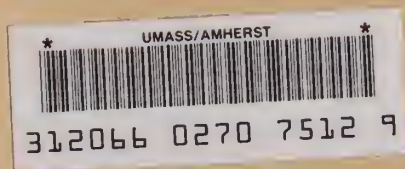


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OVERALL ECONOMIC DEVELOPMENT PROGRAM

for
southeastern massachusetts

1991

prepared by
southeastern regional planning
and economic development district

Southeastern Regional Planning
and

Economic Development District

88 Broadway

Taunton, MA 02780

1990 ANNUAL REPORT
AND
1991 PROGRAM PROJECTION

of the
OVERALL ECONOMIC DEVELOPMENT PROGRAM
September 1991

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APPENDICES

2000-2001

introduction

The mission of the Economic Development Administration (EDA) under the U.S. Department of Commerce is to enhance the national economy.* EDA assists communities and areas experiencing economic distress to help themselves achieve lasting improvement. EDA's role is to support the effort of local people in devising their own programs to solve problems.

The program developed by local people to address an area's problems is the Overall Economic Development Program (OEDP). The OEDP is both a document and a process--a process of area self-analysis, planning, and action to create new economic activity and improve community facilities and services.

The Public Works and Economic Development Act of 1965, as amended, requires that redevelopment areas and economic development districts such as SRPEDD formulate an OEDP. EDA must approve the OEDP prior to designating redevelopment areas and economic development districts as qualified to receive assistance.**

Continued eligibility of an EDA-designated redevelopment area or economic development district is contingent upon regular updating of the OEDP. This may be accomplished by submitting to EDA an Annual OEDP Report and Program Projection such as this one. Redevelopment areas located in a designated economic development district may satisfy this requirement by concurring with the district's annual report covering the area's activities.

An OEDP identifies assets and liabilities. It sets a course of action for dealing with problems created by unemployment and a sagging economy. Preparation of the OEDP is a process guided by a committee representing economic development interests in the area. Without this process efforts to tackle problems become disconcerted.

Beyond making it easier for an area to address economic problems, the OEDP also makes the area eligible for EDA funding. In southeastern Massachusetts, SRPEDD receives EDA funding to prepare an OEDP which makes six redevelopment areas eligible for EDA grants.

Because SRPEDD updates the OEDP annually to maintain eligibility as an economic development district, member communities are also eligible for ten percent bonuses on the total cost of public works projects.

*U.S. Department of Commerce, Economic Development Administration.
EDA Handbook, June, 1977.

** Guide for District Overall Economic Development Program, May, 1977.

The Annual OEDP does not include the detail of the original SRPEDD OEDP published in 1969. It provides, however, a review of accomplishments and significant changes in the economy during the past year and proposes a strategy to meet the new situation. This is a continuous and dynamic process.

The annual OEDP contains these elements:

- Fact gathering to assure understanding of current developments;
- Identification of potentials;
- Appraisal of urban places suitable to serve as centers for growth;
- Establishment of goals and intermediate objectives to direct development activities and measure progress;
- Devising a strategy for development--a plan to achieve goals and objectives (a listing of projects); and
- Provision of a work program proposing methods for implementation of the strategy and projects.

Beyond making the area eligible for EDA funding, the most important aspect of the annual OEDP, by far, is the listing of projects in the region to be funded by EDA. Projects are ranked in order of priority. The listing provides guidance to EDA on which projects should be funded first.

administration

A. AREA DESIGNATION AND PARTICIPATING GOVERNMENTS

On November 13, 1969, the Southeastern Regional Planning Commission was designated by the Economic Development Administration (EDA) as an Economic Development District (EDD) under Title VI of the Public Works and Economic Development Act of 1965.

The purpose of an Economic Development District is to foster successful economic development on a large scale by grouping together economically distressed and healthy areas--redevelopment areas and economic development centers or growth centers.

The District encompasses portions of three counties, twenty-seven municipalities and six redevelopment areas. The District's county membership includes: all of the communities in Bristol County with the exception of the Town of Easton; the towns of Carver, Lakeville, Marion, Mattapoisett, Middleborough, Rochester and Wareham in Plymouth County; and Plainville in Norfolk County.

Four of the District's redevelopment areas -- Bourne/Wareham/Rochester, New Bedford, Providence/Pawtucket, and Plymouth--were designated in 1966. The Fall River Redevelopment Area was designated in 1974. The Town of Mansfield is presently not included within a redevelopment area.

These redevelopment areas were designated on the basis of "substantial and/or persistent unemployment."* Redevelopment area designation enables an area to be eligible for the whole range of programs authorized by the Public Works and Economic Development Act.

Redevelopment Areas were originally established on the basis of labor market area (LMA) information furnished by the Massachusetts Department of Employment and Training (DET). Since designation, however, DET has changed the labor market area boundaries. The Bourne/Wareham/Rochester LMA has been eliminated, and Wareham and Rochester, both District communities, have been incorporated into the Plymouth and New Bedford LMA's respectively.

This new composition presents a problem by interrupting the continuity needed for trend analysis. Furthermore, the new labor market area boundaries are not similar to the federally designated Standard Metropolitan Statistical Areas (SMSA's) in the District - Fall River and New Bedford. Figure 1 shows the present labor market areas in the District for which DET provides information.

*U.S. Department of Commerce, Economic Development Administration. Designated Redevelopment Areas under the Public Works and Economic Development Act of 1965, as amended, October 1, 1978.

For the purposes of manpower planning DET has also established Service Delivery Areas (SDA's). Much of the statistical information is now provided for these geographic divisions.

The District also has two designated economic development centers (EDC's)--the cities of Fall River and Taunton--and a redevelopment center (RC), the City of New Bedford. These growth centers are the economic activity nuclei of their respective redevelopment areas.

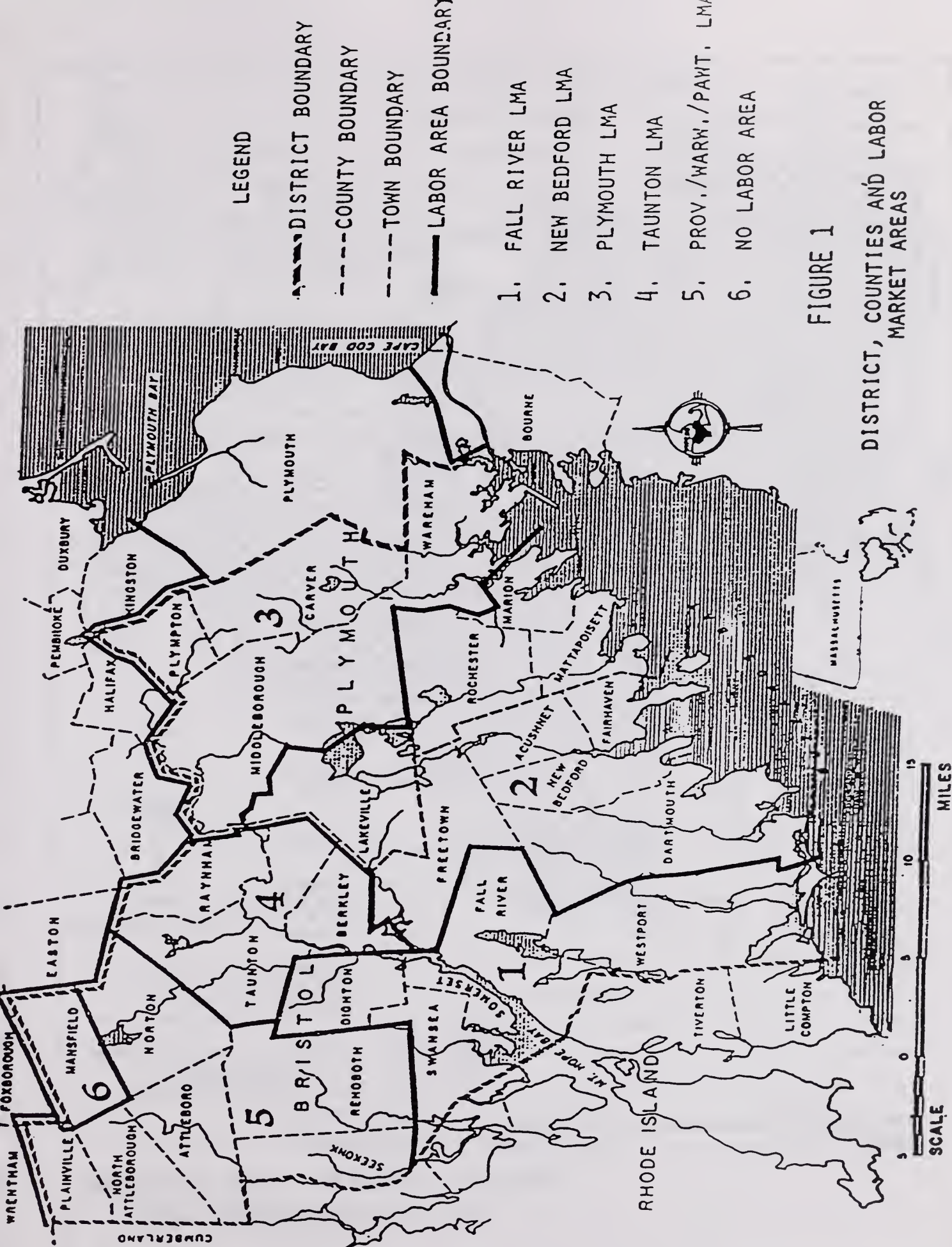
Redevelopment Centers are those which are recognized as falling within a designated redevelopment area. Unlike economic development centers there is no limit on the population of RC's, which may be in excess of 250,000 as of the last federal census.

B. DISTRICT

The Commission of the Southeastern Regional Planning and Economic Development District serves as the Overall Economic Development Program (OEDP) Committee for the District. The committee sets policy and provides guidance on all matters relating to the economic development of the District. But, because of its size, it relies on a smaller advisory committee, the Economic Development Committee (EDC), for specific recommendations.

The EDC is responsible in conjunction with the OEDP Committee for developing criteria and ranking economic development projects in the District. The committee also guides and assists the overall staff effort to prepare and implement the District's economic development program.

Membership lists for both committees are included in this section.



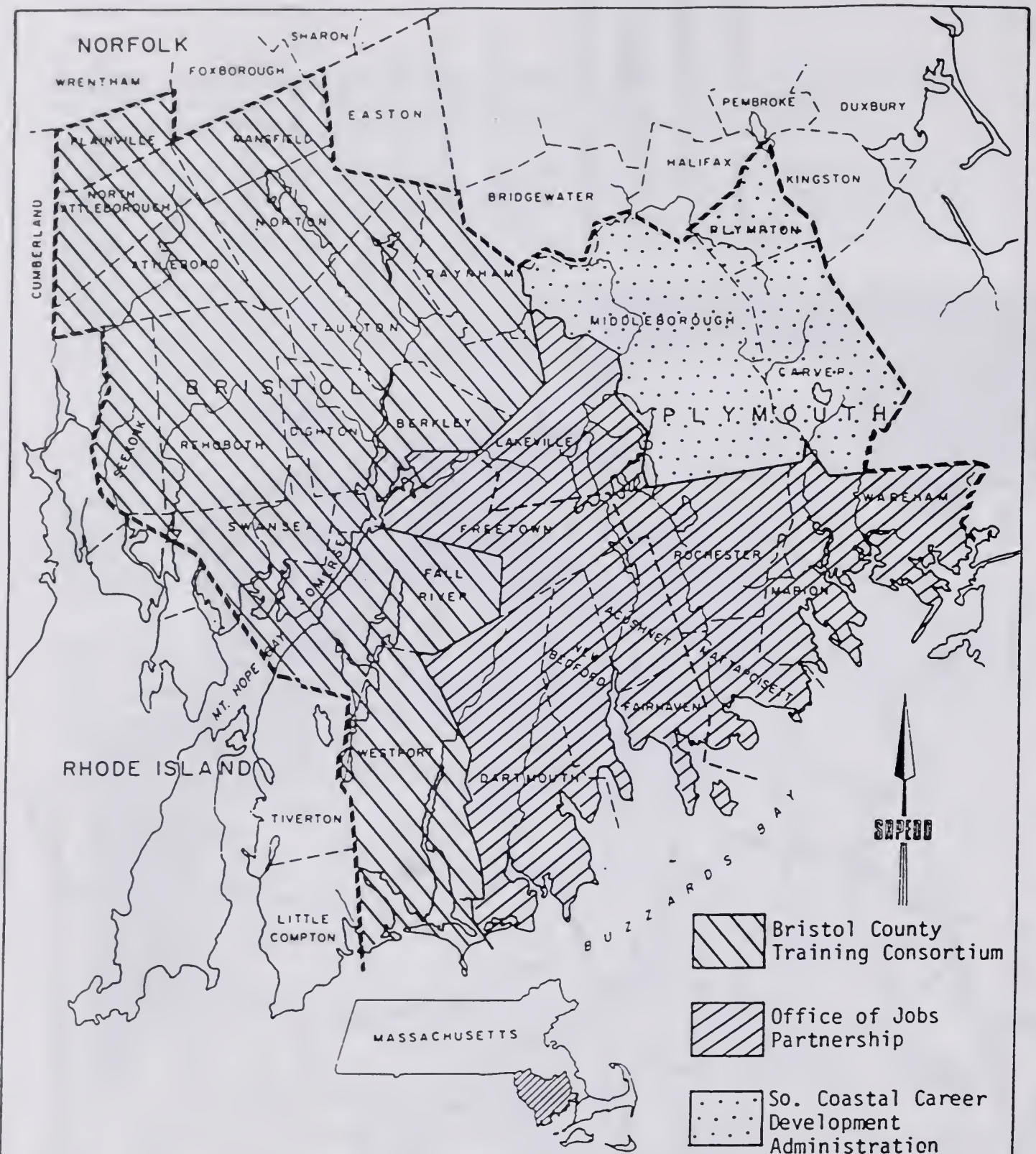


FIGURE 2
SERVICE AREAS – JOB TRAINING
AND PARTNERSHIP ACT

TABLE 1
COMMISSION MEMBERS

1990-1991

CITY/ TOWN	MEMBER	OCCUPATION/ AFFILIATION	REPRESENTATION
Acushnet			
Attleboro	William Woloshyn Robert Mawney*		Local Planning
Berkley	Karl Eklund		Government
Carver	Francis Kane	Retired	Government
Dartmouth	Lorri-Ann Miller Basil Castaldi*	Dental Assistant Education Consultant/ Planning Board	Business/Gov't. Education/Local Planning
Dighton	Allan Campbell Robert Danforth*	Prof. of Civil Engineering	Education Local Planning
Fairhaven	Wayne Fostin Raymond Fleurent*		Local Planning
Fall River	Dan DeCarlo Robert Alves	Senior Planner Purchasing Agent	Local Planning Local Planning
Freetown	Barbara Trainor* Bruce Wilbur*	Self-Employed	Government Local Planning
Lakeville	Sandra Cataldo		Government
Mansfield	Michael McClanahan*	Planning Board	Local Planning
Marion	Loretta Schaffer* William Washburn*	Selectwoman Electrician	Government Local Planning

* Elected Official

CITY TOWN	MEMBER	OCCUPATION / AFFILIATION	RE PRESENTATION
Mattapoisett	Robert Black Barry Denham*	Asst. Professor Planning Board	Education/Gov't Local Planning
Middleborough	Joseph Walker*		Government
New Bedford	Richard Bohn	City Planner	Government
North Attleborough	Raymond Payson Patricia Redding*	Planning Board	Local Planning
Norton	Paula Driscoll Ken Zanoni*	Buyer	Local Planning
Plainville	Andrea Soucy*	Teacher/Plng. Bd.	Education/Gov't
Plympton			
Raynham	Emeline MacDonald John Canto*	Retired Retinal Angiographer	Government Local Planning
Rehoboth	Jacqueline Rogan Donna McCombs*	Insurance Runner Planning Board	Government Local Planning
Rochester	George Bare	Textile Converter	Business/Gov't.
Seekonk	David Young* Robert Lombardi*	Planning Board	Government Local Planning
Somerset	Linda Fernandes		Government
Swansea	Michael Finglas		Government
Taunton	William Fitzgerald John L. Viveiros*	Bacteriologist	Health/Local Plg
Wareham	Constantine Yankopoulos	Community Dev. Dir.	Government

* Elected Official

CITY/ TOWN	MEMBER	OCCUPATION/ AFFILIATION	REPRESENTATION
Westport	Daniel George* Edmund Medeiros*	Teacher	Government Education/ Local Planning

COMMISSIONERS AT-LARGE

Attleboro Area	Minority/Low Income
Fall River Area	Minority/Low Income
New Bedford Area (2) Jayme Dias	Minority/Low Income
New Bedford Area (2) Heather Bare	
Taunton Area	

OFFICERS

Dan DeCarlo, Chairman; Jayme Dias, Vice Chairman;
Emeline MacDonald, Treasurer; George Bare, Assistant Treasurer;
William Fitzgerald, Past Chairman

* Elected Official

TABLE 2
ECONOMIC DEVELOPMENT COMMITTEE
MEMBERSHIP LIST

1991

SRPEDD COMMISSION MEMBERS

Allan Campbell
SRPEDD Past Chairman
Dighton, MA

Patricia Redding
Planning Board
No. Attleborough, MA

Dr. Basil Castaldi
Planning Board
Dartmouth, MA

Linda Fernandes
Economic Development Office
Fall River, MA

Constantine Yankopoulos
Community Dev. Director
Wareham, MA

Fmeline MacDonald
SRPEDD Treasurer
Raynham, MA

Jayme Dias
SRPEDD Vice Chairman
New Bedford, MA

Dan DeCarlo
SRPEDD Chairman
Fall River, MA

Richard Bohn
City Planner
New Bedford, MA

Heather Bare
New Bedford JTEC
Rochester, MA

PUBLIC AND PRIVATE SECTOR MEMBERS

Paul Vigeant
Jobs for Fall River
Fall River, MA

Ellen Grant
Middleborough Area Chamber of
Commerce
Middleborough, MA

Frank Cahill
Division of Employment Security
Boston, MA

Clyde Mitchell
Small Business Dev. Center
Fall River, MA

John Leite
Economic Development Director
New Bedford, MA

Richard Shafer
Industrial Dev. Commission
Taunton, MA

Stephen Andrade
Southeastern Mass. Partnership
Dartmouth, MA

Steve Spinner
MASSJOBS, Southeast
Fall River, MA

Scott Bander
No. Attleborough Business &
Industry Corporation
North Attleborough, MA

James Mathes
Chamber of Commerce
New Bedford, MA

Gerald Keane
Chamber of Commerce
Attleboro, MA

Robert Brien
Comm. Plng. & Econ. Develop.
Taunton, MA

Bill Spaner
Community Development
Attleboro, MA

Frank Tosti
Chamber of Commerce
Taunton, MA

Mark Montigny
Chamber of Commerce
Fall River, MA

الحمد لله الذي جعل
العلم نوراً يضيء
القلوب ويهدي
الأسباب

development
efforts

A. EDA PROJECTS

From 1966 to 1990, the U.S. Economic Development Administration (EDA) invested \$24 million in the region. Table 3 outlines the projects funded.

INDUSTRIAL PARKS

Over \$7 million of this investment was in five industrial parks throughout the region, including:

- Fall River Industrial Park
- New Bedford Industrial Park
- North Attleborough Industrial Park
- Taunton Myles Standish Industrial Park
- Town of Wareham Industrial Park

These parks have provided space for existing industries and attracted new industries. They have brought new jobs to the region and have helped improve the economic climate by supporting spinoff businesses, leveraging private investment and supplementing local property taxes.

Many of these EDA funded industrial parks have been so successful they are at or near capacity. All 165 acres of the North Attleborough Park are developed. This development spanning 20 years provides space to 34 firms employing over 2,000 people.

In Fall River, the 345 acre industrial park currently houses over 30 companies employing approximately 2,000 people.

In 1982 EDA funded the extension of Barnet Boulevard in the New Bedford Industrial Park. This \$2 million project has opened up 300 additional acres.

In Taunton, nearly all of the 437 acres in the Myles Standish Industrial Park have been sold. When all of the proposed tenants move in, the park will have a total of 57 companies, occupying 2,500,000 square feet in 40 different facilities representing a private capital investment of over \$150 million. For Taunton, this means approximately 3,500 jobs and \$2.5 million in annual tax revenues.

The Phase I Wareham Industrial Park is over 90 percent sold. The companies located in this phase of the park pay over \$175,000 in taxes annually and employ over 600 people. The Phase II Industrial Park is almost 75 percent sold or committed and is in various stages of development.

The availability of reasonably priced industrial land, a skilled labor force, cooperative government officials, and a quality of life second to none have made the region attractive to industry.

TECHNICAL ASSISTANCE AND INFRASTRUCTURE IMPROVEMENTS

Continued technical assistance to communities and planning investments from EDA to agencies such as SRPEDD have also insured development of cohesive, coordinated strategies for the area and implementation of overall goals. This process--a minimal investment of over one million dollars in 24 years--has insured cost effective use of federal funds.

EDA has also invested a little over \$10 million to improve the infrastructure of the four cities and provide other necessary facilities. The impact of this investment can be observed in the many revitalization efforts undertaken in the region's cities.

TABLE 3

EDA GRANTS TO MUNICIPALITIES

1966-1988

DATE	COMMUNITY	PROJECT	GRANT
1966	Fall River	Port Development (T.A.)	\$ 50,000
"	"	Vocational Tech. H.S. (P.W.)	3,053,000
"	New Bedford	Terminal Bulkhead (P.W.)	2,902,000
"	Dartmouth	Extension of Water Distribution Syst. (P.W.)	27,000
1967	Fall River	Industrial Expansion (T.A.)	2,000
"	"	Ace Plastic (A.G.)	2,000
"	Plymouth	Waste Treatment Plant (P.W.)	1,056,000
"	"	Industrial Dev. Plan (T.A.)	25,000
1968	Fall River	Water/Sewer/Road to Industrial Park (P.W.)	1,032,000
"	North Attleborough	Master Plan/Ind. Park (T.A.)	20,000
"	Plymouth	Water/Sewer/Road to Industrial Park (P.W.)	393,000
1969	New Bedford	Water/Sewer/Road to Industrial Park (P.W.)	517,000
1970	Fairhaven	Industrial Park Study (T.A.)	8,000
"	Fall River	Water/Sewer/Road to Industrial Park (P.W.)	200,000
1972	North Attleborough	Industrial Park (P.W.)	294,000
"	New Bedford	Urban Coalition/Red Crab Aquaculture Project (T.A.)	108,000
"	Plymouth	Sewer Pump Station (P.W.)	188,000
1973	Taunton	Industrial Park Study (T.A.)	15,000
1974	New Bedford	Water Main Const. (P.W.)	1,294,000
"	"	Urban Coalition/Red Crab Project (T.A.)	5,000
"	Somerset	Water Transmission Line (P.W.)	450,000
"	Taunton	Sewer Main/Ind. Park (P.W.)	858,000
"	"	Technical Assistance	38,000
1975	Taunton	Water Syst. & Rail Spur/Ind. Park (P.W.)	521,000
"	"	Site Clearance/Ind. Park (P.W.)	94,000
"	Fall River	Feasibility Study of Bulkhead Const. (T.A.).	89,000
"	New Bedford	Street and Sidewalk Imp. (P.W.)	347,000
"	Wareham	Tremont Dam Rest. (P.W.)	400,000
1977	New Bedford	Rehab/Piers 3 and 4 (P.W.)	314,000
"	Wareham	Industrial Park (P.W.)	419,000
1978	North Attleborough	Ind. Park Exp. (P.W.)	1,670,000
1979	Taunton	Roadway/Site Improvements to Industrial Park (P.W.)	1,687,000
"	New Bedford	Industrial Land Dev. (T.A.)	42,000
"	Wareham	Water Mains (P.W.)	615,000
1980	Fall River	State Pier	2,175,000
"	"	Planning (T.A.)	19,000
"	NEAMA	Import Compet. Assistance (T.A.)	169,000
1982	New Bedford/Dartmouth	Extension of Barnet Boulevard in the Industrial Park	592,015
1983	Fall River	Revolving Loan Fund	500,000
1984	SEED Corp.	Revolving Loan Fund	500,000
1986	SEED Corp.	Small Business Incubator	900,000
1987	Fall River	Revolving Loan Recapitalization	500,000
1987	New Bedford	Revolving Loan Fund	400,000
			<u>\$23,959,315</u>

SOURCE: U.S. Economic Development Administration, EDA Directory of Approved Projects.

P.W. - Public Works

5/17/8

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the
district's
economy

A. INTRODUCTION

The state's unemployment rate for 1990 was slightly above the nation's for the first year in 13 years. The "Massachusetts' Miracle" is over. In fact, Massachusetts is presently in the midst of the worst recession in recent history.

Computer industries such as Wang, which were the pride of the state, have registered substantial losses, and the state currently has one of the lowest bond ratings in the nation, the result of major budget shortfalls and the inability to address the problem in a timely fashion.

It is generally accepted by leading economists in the state's major financial and educational institutions that the recession has been caused by the decline of three major industrial areas: high technology, defense contracts, and financial services. The boom in real estate construction kept the economy going after the other sectors were already in decline in the late eighties. Now the glut in the real estate market has brought construction to a halt.

High technology, defense contracts and financial services were responsible for the phenomenal growth in the state in the late 1980's. Economists also believe that the same assets and resources - infrastructure and major educational institutions - which contributed to economic growth in the state are still in place, and the state's economy will bounce back in a year or two.

SOUTHEASTERN MASSACHUSETTS

Historically, southeastern Massachusetts has always lagged behind the state.

Once again, southeastern Massachusetts was the last to benefit by the growth occurring statewide, and the first to feel the impact of an overbuilt speculative real estate market and the resulting banking crisis.

The small business community has been severely impacted by the financing crunch and the downturn in the economy. Although the problems have been created by overspeculation in the residential real estate market, the banking community, under the pressure of auditors, has cut funds to all but a few prime small business clients. The result has been unemployment rates rising to double digit levels not seen in many years.

This downturn, although unfortunate for the region's residents and small businesses, should give planners an opportunity to do the planning for the land and infrastructure needed for future industrial development.

The public industrial parks in place have provided space for many industries which have contributed towards the overall industrial diversification of the region. These public parks have played an important role in the region's industrial growth by making available fully serviced, yet lower cost sites, thereby, helping small companies to expand. This process needs to continue. Southeastern Massachusetts still relies too heavily on mature, recession prone industries such as jewelry, apparel and textiles. The proof is in the unemployment rates being presently experienced by the region.

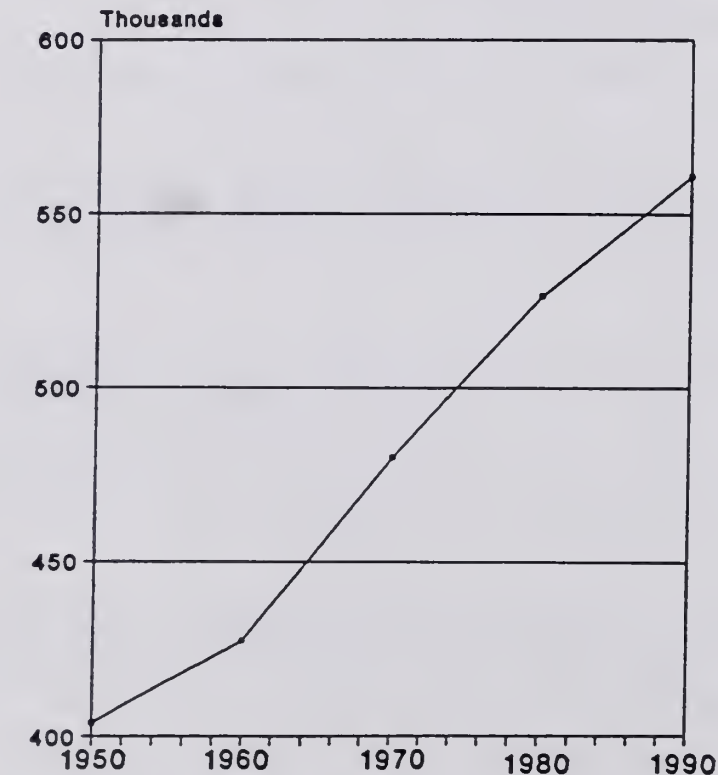
1. POPULATION

The region is the second fastest growing area in Massachusetts. Although economically depressed for many years, the region has experienced population growth and is expected to continue growing into 1995.

From 1950 to 1980 the region grew by 30 percent in comparison to the state's 22 percent. For the 15 year period from 1980 to 1995, the region is expected to grow by another 11 percent.

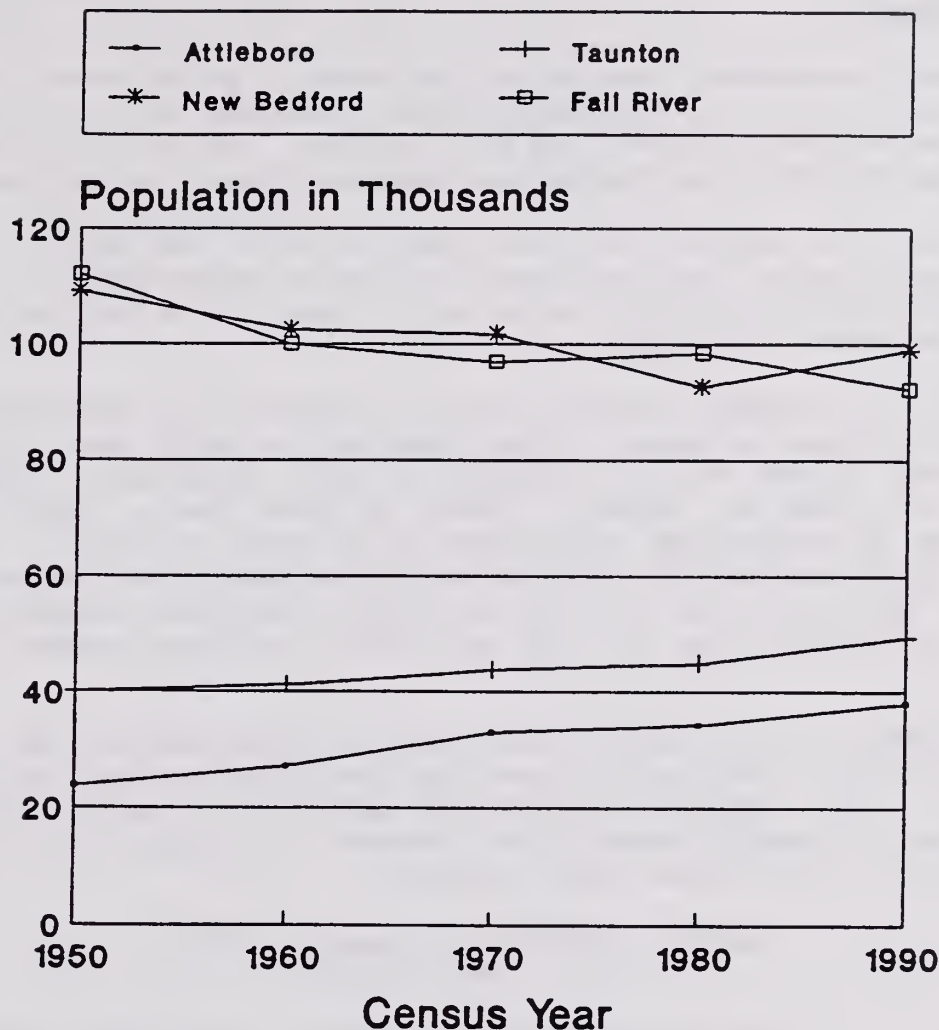
Even the region's largest communities, the cities of Attleboro, Fall River, New Bedford and Taunton, are projected to show some population increases. Over the past 30 years, the four cities in the region have had some population losses. In the recent past, however, these cities have experienced some population growth along with many of the region's smaller communities which have become attractive bedroom communities for large centers of employment such as Boston and Providence.

Regional Population Change (SRPEDD Region)



Source: U.S. Bureau of the Census

City Population Change (SRPEDD Cities)



Source: U.S. Bureau of Census

Although the region is experiencing population growth, the conditions of the overall population, especially those living in the cities have not improved substantially. In addition, population growth has put stress on public services. The region needs additional investment to address infrastructure improvements.

Education levels for Fall River and New Bedford are still well below the state's level. In Fall River, median school years completed increased from 8.8 in 1970 to 9.3 in 1980. In New Bedford median school years completed increased from 8.8 in 1970 to 9.5 in 1980. Although some improvement was registered over the 10 year period, these levels were well below the 12.6 median school years completed in 1980 in the state.

Poverty levels for the two cities are well above the state's average. In 1980, 14.8 percent of the persons living in Fall River and 16.2 percent of those living in New Bedford were below the poverty level. These figures were much higher than the state's 9.6 percent poverty level. Poverty levels for the City of Taunton and the towns of Middleborough and Wareham were also well above the state level.

2. EMPLOYMENT

For years the region has felt the impact of the exodus of the apparel and textile industries to the southern part of the nation. The cities of Fall River and New Bedford, which were once major centers of apparel and textiles, became depressed mill towns.

Until 1985, the region had been removed from the growth occurring in the Boston area. As the cost of living increased in the Boston area, people moved to the region and commuted to the Boston or the Providence areas for jobs.

The 1980 U.S. Census shows that in almost half of the region's towns, 75 percent or more of the population works out of town. In the cities, close to 10 percent of the population commutes 30 minutes or more to work. Most of the towns have a higher percentage of commuters traveling 30 minutes or more. The fact, however, that as many as 18,000 people commute 30 minutes or more from Fall River and New Bedford for jobs elsewhere shows that these centers of population do not provide the jobs needed by their residents.

Recent traffic counts verify the trend of outmigration of commuters from the region. During the morning commuting period (6:00 A.M. to 9:00 A.M.), the number of outbound vehicles on major highways in the region is nearly double the number of inbound vehicles. The table below illustrates those figures.

SRPEDD Commuting Trends - 1989
(A.M. Peak Hours)

<u>Highway Location</u>	<u>Average Weekday Volume--Inbound</u>	<u>Inbound Percent</u>	<u>Outbound Percent</u>	<u>Average Day Vol.-Outbound</u>
I-95 N.Attleborough	5,089	33%	67%	10,511
I-495, south of Route 24	2,491	33%	67%	5,068
Route 24, north of Route 44	3,137	32%	68%	6,646
I-495, south of I-95	3,727	39%	61%	5,811
I-195, Seekonk	<u>4,425</u>	<u>36%</u>	<u>64%</u>	<u>7,819</u>
TOTALS	18,869	34%	66%	35,855

Source: Mass. Department of Public Works

The region's unemployment situation has improved considerably since 1982 when double digit rates were quite common for most communities. By 1990, the region as a whole registered an 8.6 percent unemployment rate and the cities of Fall River and New Bedford has unemployment rates of 11.8 and 11.1 respectively. These rates were higher than the state's and the nation's. Part of the reason was heavy reliance in mature and recession prone industries such as apparel and textiles.

Unemployment rates have continued to rise in 1991 to levels not experienced in many years.

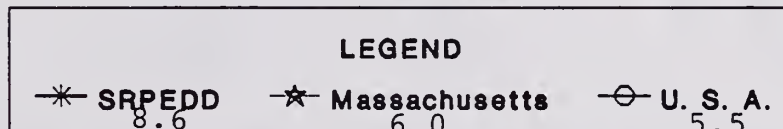
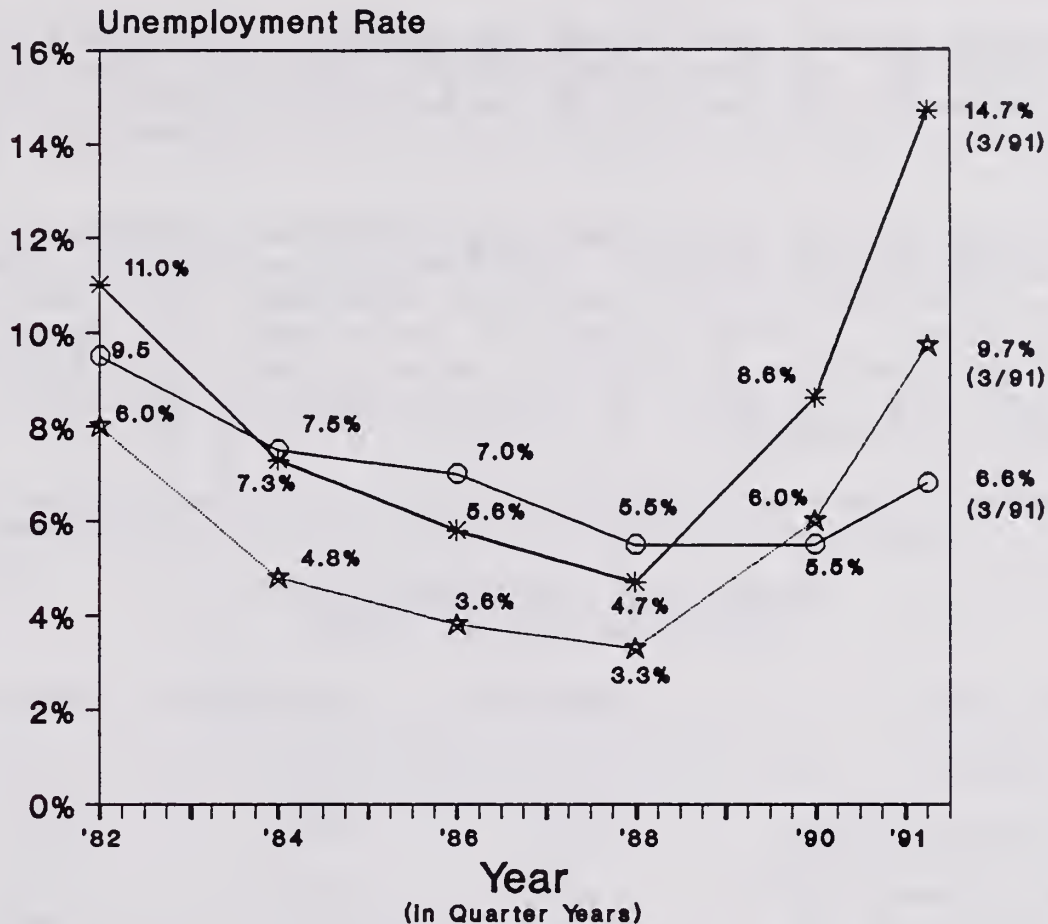
TABLE 4
EMPLOYMENT AND UNEMPLOYMENT
ANNUAL ADJUSTED AVERAGES

COMMUNITY	LABOR FORCE		EMPLOYMENT		UNEMPLOYMENT RATE	
	1989	1990	1989	1990	1989	1990
Acushnet	5,229	5,153	4,967	4,764	5.0	7.5
Attleboro	18,385	19,190	17,468	17,789	5.0	7.3
Berkley	2,186	2,069	2,032	1,899	7.0	8.2
Carver	5,049	5,102	4,841	4,742	4.1	7.1
Dartmouth	14,154	13,934	13,480	12,930	4.8	7.2
Dighton	2,949	2,841	2,811	2,626	4.7	7.6
Fairhaven	8,014	7,910	7,606	7,297	5.1	7.7
Fall River	44,065	43,595	40,691	38,437	7.7	11.8
Freetown	4,415	4,344	4,223	4,051	4.3	6.8
Lakeville	3,915	3,921	3,841	3,763	1.9	4.0
Mansfield	8,789	8,934	8,491	8,312	3.4	7.0
Marion	2,098	2,062	2,017	1,935	3.9	6.2
Mattapoisett	3,291	3,229	3,197	3,067	2.9	5.0
Middleborough	8,418	8,598	7,990	7,823	5.1	9.0
New Bedford	47,875	47,818	44,342	42,534	7.4	11.1
No. Attleborough	11,953	12,411	11,499	11,710	3.8	5.7
Norton	7,712	7,817	7,429	7,275	3.7	6.9
Plainville	3,250	3,336	3,099	3,156	4.6	5.4
Plympton	1,171	1,178	1,124	1,096	4.0	7.0
Raynham	5,249	5,287	5,088	4,979	3.1	5.8
Rehoboth	4,310	4,451	4,134	4,209	4.1	5.4
Rochester	2,164	2,137	2,102	2,016	2.9	5.7
Seekonk	6,556	6,819	6,324	6,440	3.5	5.6
Somerset	9,895	9,583	9,452	8,929	4.5	6.8
Swansea	8,418	8,150	8,060	7,613	4.3	6.6
Taunton	24,509	23,854	23,138	21,617	5.6	9.4
Wareham	10,351	10,325	9,743	9,445	5.9	8.5
Westport	7,240	7,048	6,898	6,516	4.7	7.5
District	281,610	281,096	266,087	256,970	5.5	8.6
Massachusetts					4.0	6.0
U.S.A.					5.5	5.5

SOURCE: Massachusetts Division of Employment and Training. "Local Area Unemployment Statistics and Current Employment Statistics," 1990.

NOTE: These employment figures refer to individuals living in a community but not necessarily working there.

Comparative Unemployment Rates 1982 - March 1991



COUNRA91

Source: Massachusetts Division of Employment and Training

The manufacturing sector as a whole continued to lose employment while sectors like services, and retail and wholesale continued to grow. Industries like jewelry, apparel and textiles continued to lose jobs and there weren't enough new industries to replace those job losses. The net result, as discussed above, has been that many residents of the region continue to commute to larger metropolitan areas such as Boston and Providence for jobs.

With the completion of Interstate 495 in 1984, the situation began to change. Cities like Fall River and New Bedford, however, still have to address the decline of their major mature industries, and the replacement of lost jobs.

Detailed employment information by industry is provided by the County Business Patterns published by the U.S. Bureau of the Census. Although the information is provided by county instead of municipality it provides a good picture of what is happening in the region.

The District covers all of the municipalities in Bristol County with the exception of Easton. All four of the District's cities, which provide most of the region's employment, are located in Bristol County. These cities are Attleboro, Fall River, New Bedford and Taunton. In addition, some of the larger industrial towns are also located in Bristol County--Mansfield, North Attleborough, Dartmouth.

In Plymouth County the District covers eight communities. The largest in terms of employment are Middleborough and Wareham.

MAJOR EMPLOYMENT CATEGORIES 1977-1988 PERCENT CHANGE

<u>INDUSTRY (SIC)</u>	<u>BRISTOL(%)</u>	<u>PLYMOUTH(%)</u>	<u>MASS.(%)</u>
TOTAL	29.6	79.4	43.9
Construction (15-17)	197.4	278.8	119.0
Manufacturing (20-39)	(9.9)	7.1	(3.0)
Wholesale Trade (50-51)	43.6	127.3	48.9
Retail Trade (52-59)	75.8	75.6	49.1
F.I.R.E. (60-65)	59.9	142.4	68.2
Services (70-89)	75.5	125.9	82.8

Total employment in Bristol County grew by 29.6 percent from 1977 to 1988. In terms of actual numbers, most of the growth occurred in services (75.5%), retail trade (75.8%), construction (197.4%), finance insurance and real estate (59.9%), and wholesale trade (43.6%).

Manufacturing, which provided 49.6 percent of all employment in 1977 had declined 9.9 percent by 1988. In 1988 manufacturing provided 34.5 percent of all employment.

Service employment grew by 75.5 percent from 1977 to 1988. In 1977 service employment represented 15.7 percent of all employment. By 1988 it represented 21.3 percent of all employment.

In comparison to Bristol County and Massachusetts, Plymouth County showed a much healthier economy with total employment growth of 79.4 percent from 1977 to 1988. In all major categories, except retail trade, Plymouth County's employment growth surpassed that of Bristol County.

EMPLOYMENT BY INDUSTRY

INDUSTRY (SIC)	BRISTOL COUNTY			PLYMOUTH COUNTY			MASSACHUSETTS		
	1977	1988	% CHANGE	1977	1988	% CHANGE	1977	1988	% CHANGE
TOTAL	145,953	189,101	29.6	74,768	134,125	79.4	1,952,938	2,810,243	43.9
• AGRICULTURE, FORESTRY FISHERIES (07-09)	1,457	1,747	19.9	336	993	195.5	6,205	11,202	80.5
• MINING (14)	66	89	34.8	66	189	186.4	1,100	2,012	82.9
• CONSTRUCTION (15-17)	3,191	9,490	197.4	2,368	8,970	278.8	62,085	135,985	119.0
• MANUFACTURING (20-39)	72,452	65,257	(9.9)	19,286	20,656	7.1	619,567	600,730	(3.0)
--Textile Mill Prod. (22)	7,175	5,799	(19.2)	N/L	N/L	--	26,224	15,819	(39.7)
--Apparel and Other (23)	17,596	12,043	(31.6)	1,740	728	(58.2)	41,265	25,010	(39.4)
--Primary Metal (33)	2,793	7,656	174.1	681	451	(33.8)	14,186	16,388	15.5
--Fabricated Metal (34)	4,531	4,206	(7.2)	1,584	1,537	(3.0)	45,552	44,058	(3.3)
--Industrial Machinery (35)	2,830	2,679	(5.3)	1,487	1,897	27.6	80,509	80,921	0.5
--Electronic and Other Equipment (36)	9,232	8,859	(4.0)	1,766	1,965	11.3	80,911	78,660	(2.8)
--Instruments (38)	1,745	1,929	10.5	1,584	2,203	39.1	47,802	66,816	39.8
--Misc. (inc. jewelry and silverware (39)	11,741	7,373	(37.2)	609	847	39.1	26,890	20,547	(23.6)
--Other	14,809	14,713	(1.0)	9,835	11,028*	12.1	256,228	284,149	10.9
• TRANSPORTATION & UTILITIES (40-49)	7,266	6,937	(4.5)	5,132	6,481	26.3	111,676	130,895	17.2
• WHOLESALE TRADE (50-51)	7,208	10,352	43.6	4,030	9,162	127.3	118,749	176,874	48.9
• RETAIL TRADE (52-59)	26,076	45,850	75.8	24,633	43,256	75.6	388,304	579,009	49.1
• FINANCE, INSURANCE & REAL ESTATE (60-65)	5,191	8,300	59.9	3,560	8,628	142.4	138,095	232,319	68.2
• SERVICES (70-89)	22,967	40,299	75.5	15,267	34,490	125.9	505,787	924,728	82.8
--Business (73)	1,426	4,912	244.5	1,152	5,608	386.8	72,275	159,791	121.1
--Health (80)	11,481	15,580	35.7	7,332	12,801	74.6	176,520	255,977	45.0
--Educational (82)	1,162	2,893	148.9	574	1,083	88.8	78,874	124,077	57.3
--Social (83)	1,837	3,832	108.6	1,118	3,118	178.9	27,429	65,088	137.3
--Engineering & Mgt. (87)	N/L	1,611	--	N/L	2,845	--	N/L	103,970	--
--Other	7,061	11,471	62.5	5,091	9,035	77.5	150,689	215,825	43.2

SOURCE: U.S. Bureau of the Census. County Business Patterns: Massachusetts, 1977 and 1988.

*Major categories for Plymouth County with employment over 1,000 are: printing and publishing; leather products; transportation equipment; and food products.

N/L = Not Listed

TABLE 6
EMPLOYMENT BY INDUSTRY
1988

INDUSTRY (SIC)	BRISTOL	% OF TOTAL	PLYMOUTH	% OF TOTAL	MASSACHUSETTS	% OF TOTAL
TOTAL	189,101	100	134,129	100	2,810,243	100
• AGRICULTURE, FOREST, FISH. (07-09)	1,747	0.9	993	0.7	11,202	0.4
• MINING (14)	89	0.05	189	0.1	2,012	0.1
• CONSTRUCTION (15-17)	9,490	5.0	8,970	6.7	135,985	4.8
• MANUFACTURING (20-39)	65,257	34.5	20,656	15.4	600,730	21.3
--Textile Mill Prod. (22)	5,799	3.1	N/L	--	15,819	0.6
--Apparel & Other (23)	12,043	6.4	728	0.5	25,010	0.9
--Primary Metal (33)	7,656	4.0	451	0.3	16,388	0.6
--Fabricated Metal (34)	4,206	2.2	1,537	1.1	44,058	1.6
--Industrial Mach. (35)	2,679	1.4	1,897	1.4	80,921	2.9
--Electronic & Other Equip. (36)	8,859	4.7	1,965	1.5	78,660	2.8
--Instruments (38)	1,929	1.0	2,203	1.6	66,816	2.4
--Mec. (inc. jewelry & silverware) (39)	7,373	3.9	847	0.6	20,547	0.7
--Other	14,713	7.8	11,028	8.2	284,149	10.1
• TRANSPORTATION & UTILITIES (40-49)	6,937	3.7	6,481	4.8	130,895	4.7
• WHOLESALE TRADE (50-51)	10,352	5.5	9,162	6.8	176,874	6.3
• RETAIL TRADE (52-59)	45,850	24.2	43,256	32.3	579,009	20.6
• FINANCE, INSURANCE AND REAL ESTATE (60-65)	8,300	4.4	8,628	6.4	232,319	8.3
• SERVICES (70-89)	40,299	21.3	34,490	25.7	924,728	32.9
--Business (73)	4,912	2.6	5,608	4.2	159,791	5.7
--Health (80)	15,580	8.2	12,801	9.5	255,977	9.1
--Educational (82)	2,893	1.5	1,083	0.8	124,077	4.4
--Social (83)	3,832	2.0	3,118	2.3	65,088	2.3
--Engineering & Mgt. (87)	1,611	0.9	2,845	2.1	103,970	3.7
--Other	11,481	6.0	9,035	6.7	215,825	7.6

SOURCE: U.S. Bureau of the Census. County Business Patterns: Massachusetts, 1988.

N/L - Not Listed

In Plymouth County, however, the majority of the employment was in retail trade followed by services and manufacturing. The fastest growing of the three sectors was services. In Bristol County the majority of the employment was in manufacturing following by retail trade and services. The fastest growing of these sectors was retail trade.

1988 MAJOR EMPLOYMENT CATEGORIES

PERCENT OF TOTAL

<u>INDUSTRY (SIC)</u>	<u>BRISTOL</u>	<u>PLYMOUTH</u>	<u>MASS.</u>
Construction (15-17)	5.0	6.7	4.8
Manufacturing (20-39)	34.5	15.4	21.3
Wholesale Trade (51-51)	5.5	6.8	6.3
Retail Trade (52-59)	24.2	32.3	20.6
F.I.R.E. (60-65)	4.4	6.4	8.3
Services (70-89)	21.3	25.7	32.9
Other	<u>5.1</u>	<u>6.7</u>	<u>5.8</u>
Total	100.0	100.0	100.0

In Bristol County manufacturing still represented 34.5 percent of all employment in comparison to 15.4 percent and 21.3 percent for Plymouth County and the state, respectively. Services, which is the largest sector of jobs statewide, provided 21.3 percent of all employment in Bristol County.

3. INCOME

Income levels for the region increased from 1970 to 1980, but not enough to offset inflation. A more disturbing fact was that the percentage of persons below the poverty level actually increased in the cities of Attleboro, Fall River, New Bedford and Taunton.

The average per capita income for Bristol County for 1987 was \$11,559 and for Plymouth County the figure was \$13,636. These figures were well below the state average of \$14,389. The cities of Fall River, New Bedford and Taunton were well below the state average with \$9,130, \$9,325 and \$11,391, respectively.

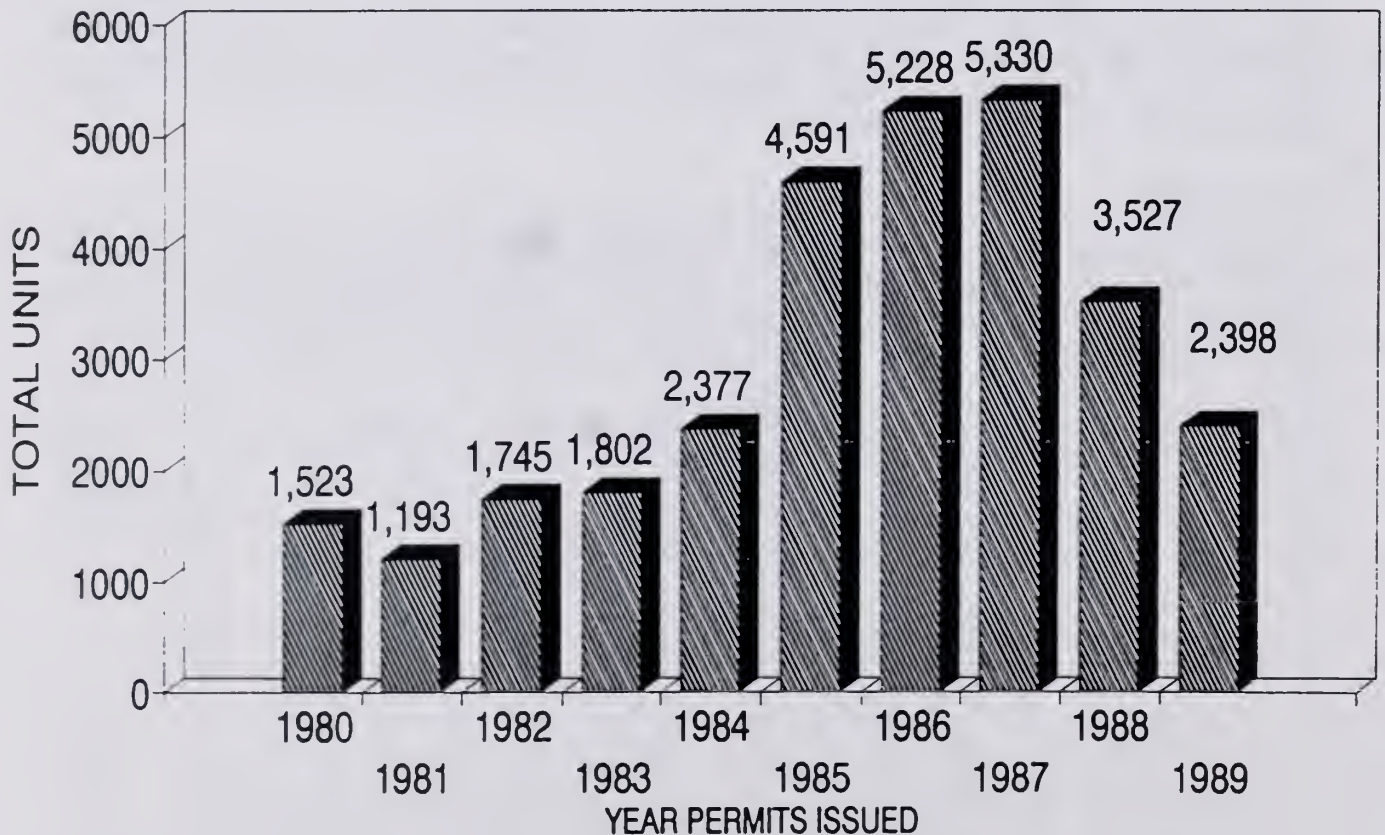
4. HOUSING

The growth registered in housing units has been dramatic, as measured by building permits during the period from 1980 to 1989.

The two year average for 1980-81 of 1,358 units per year was almost quadrupled by the 5,279 units per year average for 1986-87. This average dropped to 2,963 for the period 1988-89.

The impact of the housing boom was not spread equally throughout the region. The Town of Berkley, for example, issued 545 permits in the ten year period, which represents a 59% increase over their housing stock from 1980. Carver's 1,301 permits represent a 52% increase. Mansfield's 2,141 permits increased the housing stock by 43%. See appendix for information on other communities.

HOUSING UNITS AUTHORIZED FOR SRPEDD REGION



5. TRAFFIC

Traffic improvements have not kept pace with growth. The figures below, while mostly for limited access roads, are also indicative of traffic growth on local streets.

SELECTED TRAFFIC COUNTS, 1980-1987

City/Town	Location	1980 Count	1987/ 1988 Count	%Increase
Attleboro	I-95 at State Line	32,750	66,150	102%
Dartmouth/ New Bedford	Route 6	16,700	29,450	76%
Dartmouth/ New Bedford	I-195	29,500	45,850	55%
New Bedford	Route 140 Phillips Road	11,900	24,306 (88)	104%
Plainville/ Wrentham	I-495	13,850 (78)	35,200 (85)	154%
Raynham	Route 24 @ Route 44	20,422	29,343	44%
Swansea	I-195 @ Route 6	34,000	47,150	39%
Taunton	Route 140 @ Route 24	12,450	23,717	90%
	Route 24 @ Route 140	18,800	44,000	134%

These traffic impacts have occurred at a time when the ability of cities and towns to make improvements has been severely curtailed due to fiscal constraints. With the question of impact fees still unresolved, and the state's financial capacity diminished, needed improvements are not being made.

SRPEDD transportation planners believe that as many as nine highway interchanges will become so congested by the end of the century that traffic will be backed up onto highways during peak hours. Some traffic has backed up onto highways already.

6. INFRASTRUCTURE (WATER, SEWAGE AND SOLID WASTE DISPOSAL)

Rapid growth has taxed the ability of cities and towns in the region to provide basic needs that are essential to economic growth - public water supply, sewage disposal and solid waste disposal. Efforts are being made to ensure that the capacity of the infrastructure is keeping pace with the demands being placed upon it, but financial and environmental constraints make these concerns an ever present factor in the region's economic growth.

a. Water Supply

Southeastern Massachusetts is blessed with excellent freshwater resources in the form of rivers, lakes and aquifers. Only seven of the region's twenty-seven municipalities do not have municipal water systems, and small portions of three of those towns have commercial and industrial areas served by abutting cities. The region's primary water resources are the Lakeville Ponds (water supply for Taunton and New Bedford), North Watuppa Pond and the Copicut Reservoir (serving Fall River), and numerous aquifers and smaller lakes and ponds.

Nevertheless, fifteen of the twenty-four SRPEDD communities in the Taunton and Ten Mile River Basin are projected to have marginal surpluses (less than 20%) or deficits by the year 2020, based upon the 1989 developed supply, according to the Southeastern Massachusetts Partnership's Taunton River Basin Water Needs Study. In many of these communities, the potential for increased supply is limited, so conservation measures, especially by industry, will be essential. These measures will involve true-cost pricing which will raise water rates for many industrial users, as well as industrial recycling and internal process changes.

Implementation of these measures, along with developing additional supply where possible, are essential to avoid the problems being experienced by Brockton, the city immediately to SRPEDD's north, which has had no industrial growth for years due to a water hookup moratorium.

While some new supplies may be found by treating currently polluted sources such as South Watuppa Pond or the Taunton River industrial conservation and recycling will be essential components toward keeping water supply available for new economic development in the region.

b. Sewage Treatment

There are twelve municipal sewage treatment plants in the region serving a total of twenty-one municipalities (three outside SRPEDD). Nearly all the significant industrial areas in the region are served by these plants, although the two largest (Fall River and New Bedford) have problems that could impact future industrial development. Fall River's combined sewage overflows into Mount Hope Bay require much more expenditures than the city can afford, New Bedford's court-ordered secondary treatment plant is projected to cost over \$200 million, the highest per capita cost in the state.

These measures, coming at a time of significantly reduced federal aid, are crucial to their respective cities' economics, because of the high cost burden on the local tax rate and the rising sewer use fee to industry. Failure to comply with the required improvements could produce even greater problems, with a prohibition against new connections to the sewer, a likely result of non-action.

c. Solid Waste Disposal

As cheap landfill space rapidly disappears throughout the state, the cost of solid waste disposal has risen dramatically. As of 1990, several SRPEDD communities have signed contracts for waste disposal at the SEMASS waste-to-energy facility in Rochester, which accepts up to 1,800 tons/day. The Fall River municipal incinerator burns approximately 200 tons/day from the city and surrounding towns. New Bedford and Dartmouth are in the process of developing a new state-of-the-art landfill.

Municipalities in the north and west parts of the region are continuing to explore waste-to-energy, recycling and landfill alternatives. Given the tight budgets throughout the state, the trend is to cover costs through fees, many of which are being passed onto industry.

7. ENVIRONMENT

One measure of environmental quality which has both environmental and economic impact is shellfish bed closings.

In Buzzards Bay in 1990, there were 16,614 acres of shellfish beds closed due to bacterial contamination. This area is equivalent to 25.9 square miles. An additional 20,408 acres were closed due to oil spills in the bay.

The closure of these beds is due to a combination of pollution sources ranging from increased urban runoff, septic systems, pleasure boat discharges, and overloaded sewage treatment plants.

A study prepared in 1988 by the Conservation Law Foundation of New England suggests that the 10.5 square miles closed in the immediate vicinity of New Bedford Harbor contain over 500,000 bushels of quahogs that could yield an annual harvest of nearly \$5 million.*

8. IMPACT OF DEVELOPMENT REGULATIONS

Industries locating or expanding in Massachusetts have frequently complained of excessive, overlapping and unnecessary regulations, particularly with regard to land use development and environmental issues. They have further complained of the slow processing time for development permits.

Citizens, environmentalists and planners have voiced opposite concerns about the destruction of wetlands, the danger to aquifers, the traffic congestion produced by new development and the change in landscape. Their response is to implement the most expedient controls, which are most frequently various local regulations and by-laws.

*Lost Harvest, Sewage, Shellfish and Economic Losses in the New Bedford Area, January, 1988, Cons. Law Found. of New England, Boston.

While the state has enabling legislation governing how local authority can be improved, the local response varies widely. The net result is a patchwork quilt of 351 different sets of development rules in the state--a different set of rules for each city and town. The result for the developer is at best uncertainty and at worst, arbitrary decision-making or no decision at all.

State agencies with authority over development are currently in a state of chaos due to Massachusetts' budget woes. Their ability to process necessary applications and permits has been severely curtailed.

The net result of all of this is a fragmented regulatory system that has little certainty with regard to timing or result. A change in the current system, including a complete overhaul and streamlining of the development process to produce a clearer path to follow and more certainty in the result will benefit economic developers and planners and environmentalists alike.

**economic
development
centers**

When Congress passed the Public Works and Economic Development Act of 1965, it envisioned economic development centers or growth centers as nuclei from which all economic activity would emanate. Growth centers became the anchors on which economic development districts would depend on to alleviate the economic distress of their redevelopment areas.

The District's growth centers, as designated by the U.S. Economic Development Administration, are the cities of Fall River, New Bedford and Taunton. These centers are characterized by population concentrations. They maintain a level of economic activity which generates jobs for people in nearby towns and they provide to a large extent the necessary social and economic services.

If southeastern Massachusetts is the first in the state to feel a recession, the cities of Fall River and New Bedford and to a lesser extent, Taunton, are the first to suffer from the impact. The unemployment rates below demonstrate that.

UNEMPLOYMENT RATES

	% 1982	% 1988	% 1990	% March 1990
Attleboro	8.8	4.9	7.3	11.0
Fall River	12.9	6.6	11.8	19.0
New Bedford	14.3	6.0	11.1	19.1
Taunton	12.0	4.4	9.4	15.0
Massachusetts	8.0	3.3	6.0	9.9
United States	9.5	5.5	5.5	7.2

The cities of Fall River and New Bedford continue to depend on the apparel and related products and textile industries for the majority of the manufacturing jobs. For the three growth centers most of the employment growth has occurred in the service sector, as noted in Table 5.

Although the population of southeastern Massachusetts is expected to grow at a higher rate than the rest of the state in coming years, the majority of the growth is expected to occur in smaller urban municipalities and rural communities which serve as "bedroom communities" for Boston and Providence.

The three cities still need to expand manufacturing sector opportunities. The cities of Fall River and New Bedford, especially, depend heavily on limited growth industries. The cities need to provide the kind of climate that will help revitalize these industries and help them expand. This effort should be coupled with continued recruitment of high technology and other growth industries to broaden the industrial base.

In the recent past, the three cities have committed large amounts of federal and private funds to revitalize their central business districts and improve their infrastructures. These efforts will, hopefully, result in substantial increases in wholesale and retail trade employment and in other sectors. Much of the economic situation experienced by the three cities in the past has been due to trends also taking place at the state and national level: cutbacks in many federal programs; the recessions of 1982 and 1975; double-digit inflation; a declining manufacturing sector; and costly energy supplies.

Economic activity, however, is not restricted to growth centers. The District has a number of older urban communities which have experienced substantial growth in the recent past. Of the four cities in the District, the City of Attleboro has the strongest economy. The city relies heavily on the jewelry, flatware and silverware industry and boasts a large high technology firm, Texas Instruments, which employs several thousand people. Attleboro provides almost twice as many jobs as the growth center of Taunton. The city is part of the Providence/Pawtucket Redevelopment Area and is oriented toward a larger nucleus, the City of Providence.

Another urban municipality providing substantial employment is North Attleborough. The North Attleborough Industrial Park, funded with EDA money, provides over 1,000 jobs. Mansfield has been growing substantially with the development of its Cabot, Cabot & Forbes Industrial Center. The Middleborough area also has much potential for growth with several proposed industrial parks, Ocean Spray Headquarters, and strategic location next to I-495. Wareham is another community which has been experiencing growth and holds much potential for the future.

**potential
for
economic
development**

A. OPPORTUNITIES IN THE 1990's

According to Richard Kateley, Executive Vice President of Real Estate Research Corporation and author of Emerging Trends, most of the dynamics which will influence development in the next five to ten years are already in place. He points out development of a regional mall, for example, which may take seven to ten years.

In an article in Urban Land, Kateley outlines new demand patterns for industrial space, office market, hotels, and retail. While many of these conclusions do not apply directly to the SRPEDD area, they do for the most part apply to the Boston, and to a lesser extent, Providence metropolitan areas, and development trends around these cities have a definite impact on southeastern Massachusetts. The following were his conclusions.

INDUSTRIAL SPACE - In sizeable cities, research and development space is overbuilt. Over the long term the greatest opportunity lies in business parks which provide high levels of common tenant amenities. University related technology parks are expected to fade over the next five years. Obsolete facilities will need to be replaced in the 1990's, as more manufacturers try to stay competitive in world markets, but the spending will be for owner occupied facilities, not speculative space. Warehousing and distribution markets will still be attractive in areas with strong residential and retail growth.

OFFICE MARKET - Rapid and large scale growth in office employment peaked in 1975 and 1985. In the future, demand for office will be significantly reduced due to a number of trends.

HOTELS - The record year for hotel construction was 1986 with over 90,000 rooms added to the nation's inventory. A strong economy and increases in conventions and meetings played a major role in hotel growth. Growth, however, is expected to continue to slow down in the future.

RETAIL - Slower population growth, fewer household formations, and the aging of the baby boom generation will mean demand for fewer, smaller scale, and more specialized retail products. Despite slower population and household growth, however, the retail outlook remains bright since half of the working population will reach their peak earning years in the 1990's. There will be room for both new retail space and at-home catalog shopping.

B. DISTRICT POTENTIAL

The District has a number of characteristics which still offer great potential for economic development. To reiterate, some of these characteristics include:

- Land--still plentiful and less expensive than the Boston metropolitan area, although the price gap has closed and the availability of prepared industrial sites has also greatly decreased.
- Water--generally more available than most parts of the state and nation, although localized shortages and contaminated sources are a problem. The region cannot rely on "cheap" water as a locational advantage.

- Transportation--network offering excellent accessibility to all areas of the District and major areas such as Boston, Providence and Cape Cod. The area boasts two major seaports, one in the City of Fall River and another in the City of New Bedford. Commuter rail to Boston is scheduled to open in Lakeville in 1995. Transit systems are in place to cover the central cities and the surrounding communities.
- Labor Force--a versatile labor force that still has large numbers of skilled workers leaving the region each day to find jobs in the Boston, Providence and Newport labor market areas.
- Infrastructure--established urban areas with land, building space and other amenities for industrial and commercial development.

One of the District's best characteristics is its labor force. As analyzed in the section on the economy, there are large numbers of the labor force in the District's cities. The region still offers growing businesses a source of labor less available in the Boston area and other parts of the state.

The high technology industry has begun migrating to the region to draw upon the available labor pool. An especially attractive area is the Route 495 "belt," the outer ring to Route 128 around Boston. But the high technology industry is not the single answer. The region needs to concentrate on small business creation, where most new jobs occur. Recapitalization of the regional Revolving Loan Fund is needed to meet the financial gap being faced by small businesses.

At the local level there are a number of EDA projects which offer great potential for industrial development and the overall diversification needed by the District. These projects include: the Myles Standish Industrial Park in Taunton on Interstate 495, the Airport Industrial Park in Fall River, the New Bedford Industrial Park, and the Wareham Industrial Park.

Since the late 1960's, EDA has provided grants which have prepared most of the industrial parks in the region. These parks have been very successful. EDA in effect has provided the seed money for industrial growth and jobs. Three of the region's parks are still looking to EDA for additional assistance to develop more space to attract growth industries. It is unlikely that the District's oldest cities will be able to finance these investments alone.

Several privately-financed industrial parks are proposed in the region, principally in the Middleborough/Lakeville/Raynham area. While these parks could ultimately provide nearly a thousand acres of industrial land, the cost of sites averages three times the cost of the public industrial parks (\$150,000 or more per acre vs. \$50,000 or less per acre). These parks will be simply too expensive for many of our local growing industries that desire to expand in these local areas.

Small businesses which are responsible for most new job creation also need assistance to survive and grow. Support should include financial assistance along with other needed services such as those provided in an incubator.

The District will continue to assist in the development of all economic development related projects offering good potential. Agriculture, fishing and tourism also offer great potential for the District. Cranberry farming, scalloping and tourism in general have been growing in the area and are expected to continue growing. Ongoing historical preservation and other urban revitalization efforts should have a direct beneficial impact on tourism.

A new area of potential is the creation of jobs by "growing" small businesses already located in the region. The District has many small businesses which could become the giants of tomorrow in the high technology field and other growth areas. By creating the South Eastern Economic Development (SEED) Corporation and staffing its operations, the District has provided a financing mechanism to assist these businesses to grow.

C. CONSTRAINTS

Some of the District's worst constraints are somewhat beyond local or regional control but follow state and national trends. They include the higher cost of doing business in this part of the nation; generally higher tax rates and insurance premiums; costly and less available energy supplies; and high shipping costs due to distance from growing market areas.

More specific District constraints include:

- Manufacturing--a declining manufacturing sector.
- Mature Industries--a need to revitalize "mature" or declining industries such as apparel and related products, textiles and jewelry.

A constraint which affects all Massachusetts communities is "Proposition 2 1/2." The lack of additional town revenues generated by new development of property is seen as a strong anti-growth effect of the statute. The proposition limits the tax levy to a 2.5 percent increase from each previous year. An increase in the tax base produced by a new development is absorbed into the general levy and the tax rate. The result is that a town has to share existing services with the new development, because no substantial additional revenues can be generated for the community.

Currently, the deepening regional and national recession and the poor fiscal condition of the Commonwealth of Massachusetts are serious constraints. While many of the causes are out of the control of the cities and towns and the region, the opportunity must be seized to prepare the region for the next growth cycle. If the rapid growth of the mid 1980's reoccurs, the region must capitalize on the renewed opportunities to build a solid economic base that avoids the boom and bust cycle of the last decade.

**strategy
and
implementation**

A. PROGRAM AND PROJECT SELECTION

The existing economic development goals and objectives for the District were adopted May 14, 1991 by the SRPEDD Economic Development Committee. They provide guidance for the District's work program and project selection process. They are:

GOAL - ECONOMY

Strengthen and diversify the region's economic base through the expansion of existing businesses and the attraction of new growth businesses which will create needed and better paying jobs; assist in preparing the region's economic development by means of financing incentives, governmental coordination, infrastructure development and overall land use planning.

Safeguard and enhance the region's most important asset to economic development - its quality of life - with long range comprehensive planning and implementation to create affordable housing, to protect the environment and natural resources, to develop an excellent transportation network and to maintain the region's unique heritage.

Objectives

1. Encourage the expansion of existing industries and the establishment of new industries by providing technical and financing assistance through SEED Corporation and other support services.
2. Provide technical assistance to local development, industrial development, community development corporations, chambers of commerce, and other local and regional economic development agencies.
3. Serve as a data and information resource for the region, collecting, organizing and developing data for the benefit of public and private sector clients.
4. Seek to coordinate city and town economic development efforts in order that they may be complementary rather than competitive.
5. Work to insure that the region's infrastructure (roads, water, sewer, rail, airports, etc.) is being planned and developed in an orderly fashion to meet the needs of economic development.
6. Encourage industrial waste source reduction and recycling through education and the provision of technical assistance to local industry.

B. PROGRAM CONSIDERATIONS AND COURSE OF ACTION

Table 7 outlines the District's listing of projects which are of high priority for the region in its economic development strategy. The projects are listed in priority order as recommended by the Economic Development Committee and adopted by the District Commission in June, 1991. (The criteria used for ranking the projects are shown in Table 8.)

SRPEDD also supports the infrastructure projects listed in Table 9. Although not all are EDA-eligible and, therefore, not ranked in the OEDP, they all will assist in the development of a stable economic base in the region and should be supported.

TABLE 7

PRIORITY PROJECTS

1991-1992

PROPOSED PROJECTS			FUNDING (IN THOUSANDS)				NO. OF JOBS CREATED	
REGIONAL PRIORITY	AVERAGE POINTS*	LOCATION	DESCRIPTION	SOURCES AND AMOUNTS /FEDERAL/STATE/LOCAL/OTHER	ESTIMATED TOTAL COST	AGENCIES RESP.		
1	50.31	Taunton Myles Standish Industrial Expansion, Phase II	Extension of road, water and sewer to open up 265 acres.	EDA \$1,000	\$5,625	\$6,625	TDC	3,900
2	49.75	New Bedford Industrial Park Expansion	3,500 feet of roadway, water and sewer to open up 120 acres of land in Dartmouth.	EDA \$720	\$480	\$1,200	Indust. Foundation/ City	1,000+
3	38.75	Warehsm, Phase II Industrial Park	600 feet of roadway, drainage and water supply to open up 16 acres.	EDA \$151	\$100 --	\$263	Wareham EDIC	2,240
4	31.70	Wareham Business Incubator	Develop 35,000 square foot incubator in existing building.	EDA \$250	--	\$325	Wareham EDIC	100
5	16.00	Westport Route 6 Watermsin	12" waterline along 0.7 miles.	EDA \$200	\$200	\$400+	Board of Selectmen	100+

EDA = Economic Development Administration

TDC = Taunton Development Corporation

EDIC = Economic Development and Industrial Corporation

* Based upon ranking of the Economic Development Committee on October 2, 1990 and re-affirmed on June 18, 1991.

TABLE 8
1991 PROJECT RANKING CRITERIA

1. Unemployment Rate-1990 Annual	Pts.										
	0					5				10	
	:	.	:	.	:	.	:	.	:	:	
	:					:				:	
	At or below U.S. Average (5.5%)						1.5 times U.S. Average (8.25%)				
2. Per Capita Income (1987)	Pts.										
	0					5				10	
	:	.	:	.	:	.	:	.	:	:	
	:					:				:	
	At or below U.S. Average (\$11,923)						1.5 times U.S. Average (\$9,538)				
3. Permanent Job Creation	0					5					
	:	.	:	.	:	.					
	:					:					
	0					500+					
4. Construction Jobs Created	0					5					
	:	.	:	.	:	.					
	:					:					
	0					100+					
5. Spinoff Jobs Creation	0					5					
	:	.	:	.	:	.					
	:					:					
	0					400+					
6. EDA Investment/ Perm. Jobs	0					5					
	:	.	:	.	:	.					
	:					:					
	\$5,000/ Job					Less than \$1,000/Job					
7. Private Investment Leveraged	0					5					
	:	.	:	.	:	.					
	:					:					
	None					500% of EDA Invst.					

=====

DISCRETIONARY CRITERIA (0-2)

1. GROWTH CENTER
2. INNOVATIVE PROJECT
3. STRENGTHENS MANUFACTURING
4. ASSISTS SMALL BUSINESS
5. REGIONAL IMPACT
6. OTHER

TABLE 9
OEDP-1991 PUBLIC WORKS PROJECTS (UNRANKED)

<u>PROJECT</u>	<u>ESTIMATED COST</u>	<u>SOURCE OF FUNDS</u>	<u>JOB TO BE CREATED</u>	<u>STATUS/ACTION TO BE TAKEN</u>
<u>BERKLEY</u>				
• Private industrial park	Unknown	Private	Unknown	Provide T.A.
• Building recycling center	Unknown	Unknown	Unknown	Long-Term
<u>FAIRHAVEN</u>				
• New 16" water transmission main to Boston Hill Rd. to retire 80 year old Rte. 6 water tower	\$558,225	Local	Unknown	Ready for funding 91-92
• West Island waste water collection, treatment and disposal	\$6,225,290.50	Local, State	Unknown	Ready for funding 91-92
<u>FALL RIVER</u>				
• Combined sewer overflow corrections	\$122 million	Federal, State, Local	Unknown	Long-Term
<u>LAKEVILLE</u>				
• Waterline from Bedford St. to Lakeville Hospital will serve town owned industrial land.	Unknown	Unknown	None	Complete in 5 years

<u>PROJECT</u>	<u>ESTIMATED COST</u>	<u>SOURCE OF FUNDS</u>	<u>JOBS TO BE CREATED</u>	<u>STATUS/ACTION TO BE TAKEN</u>
<u>LAKEVILLE</u>				
• Extension of New Bedford waterline approx. 1 1/2 miles northward on County St. (salt contamination)	Unknown	Unknown	None	Complete in 5 years
• Extension of waterline down Precinct St.	Unknown	Unknown	None	Complete in 5 years
<u>MARION</u>				
• Increased capacity of waste water treatment plant	\$2.5 million	Unknown	3	Complete in 5 years
• Additional water supply	\$1.2 million	Local Taxes	1	Complete in 5 years
<u>NEW BEDFORD</u>				
• Construct 3,500' of roadway with water and sewer lines in New Bedford Industrial Park to open 120 acres of land	\$1,200,000	EDA, Local	1,000	Preliminary Eng.
• Construct secondary Sewage Treatment Plant and overflow	\$150 million	Federal, State & Local	Unknown	Complete in 5 years

<u>PROJECT</u>	<u>ESTIMATED COST</u>	<u>SOURCE OF FUNDS</u>	<u>JOBS TO BE CREATED</u>	<u>STATUS/ACTION TO BE TAKEN</u>
<u>NORTH ATTLEBOROUGH</u>				
● Reconstruct Draper Avenue	\$900,000	Federal, State, Local	Unknown	Refer to JTPG
● Reconstruct Mendon Rd. Bridge over Abbott Run	\$500,000	State, Local	Unknown	Refer to JTPG
● Reconstruct Towne St. Bridge over Ten Mile River	\$150,000	State, Local	Unknown	Refer to JTPG
● Reconstruct Old Post Rd. Bridge over Seven Mile River	\$150,000	State, Local	Unknown	Refer to JTPG
● Reconstruct Mt. Hope St. Bridge over Ten Mile River	\$150,000	State, Local	Unknown	Refer to JTPG
● J. Dietsch Blvd. & Toner Blvd. improvements to better the traffic flow to the industrial park	\$500,000	Federal, State, Local	Unknown	Refer to JTPG
● Reconstruct Plain St. with water & sewer lines to open 250+ acres of industrial zoned land	\$2,400,000	Federal, State, Local	Unknown	Refer to JTPG
<u>RAYNHAM</u>				
● Replace bridge at Dam Lot Brook & reconstruct South St. West for 1,675+ from Rte. 44	\$285,000	Non-Federal Aid Rehabilitate Bridge Grant	None	Refer to JTPG

<u>PROJECT</u>	<u>ESTIMATED COST</u>	<u>SOURCE OF FUNDS</u>	<u>JOBS TO BE CREATED</u>	<u>STATUS/ACTION TO BE TAKEN</u>
<u>SWANSEA</u>				
● Replace 2" iron pipe at various locations	\$60,000	Local	Unknown	Ready for funding 91-92
● Replace steel envelope on Palmer River Bridge	\$10,000	State, Local	Unknown	Refer to JTPG
<u>TAUNTON</u>				
● Reconfigure/re-pave Winthrop St. to from High St. to Highland St.	\$1,200,000	Unknown	100	Refer to JTPG
● Reconstruct Bay St. from Dever State School to Broadway approx. 15,000 LF	\$3,000,000	Unknown	Unknown	Refer to JTPG
● Reconstruct/re-pave 6,000' of Weir St. adjacent to approx. 400,000 SF of vacant mill space; hazardous waste clean up	\$600,000	Unknown	Unknown	Long-Term Refer to JTPG
● Reconstruct/re-pave up to 5,000 LF of West Water St. adjacent to approx. 400,000 SF of vacant mill space; hazardous waste clean up	\$1,250,000	Unknown	Up to 500	Long-Term Refer to JTPG

<u>PROJECT</u>	<u>ESTIMATED COST</u>	<u>SOURCE OF FUNDS</u>	<u>JOB TO BE CREATED</u>	<u>STATUS/ACTION TO BE TAKEN</u>
• Transform building in Weir District into a tele-cottage/small business incubator	\$10,000,000	Unknown	100-150	Long-Term
• Reconfigure West-coat Dr., Middleboro Ave. & runway improvements leading into Taunton Airport to develop industrial park	\$500,000	Unknown	600	Long-Term
• High St. water main and road pavement	\$300,000	Unknown	Unknown	Complete in 5 years
• Extension of road, water & sewer to 265.5 acres. Phase II of Myles Standish Industrial Park	\$6,625,000	EDA, CDAG, Local and Private	3,909	Ready for funding 91-92
<u>WAREHAM</u>				
• Develop a business incubator	\$260,000	EDA, MSCP	30-50	Complete in 5 years
• Construction of Little Brook Rd. Phase II Industrial Park to open 16 acres of land	\$260,000	EDA, Land Bank	240	Ready for funding
• Expand industrial land	\$15,000	EDA, Local	1,200	Long-Term
• Creation of "incentive zone" for Cranberry Highway	\$50,000	Unknown	Hundreds	Long-Term

<u>PROJECT</u>	<u>ESTIMATED COST</u>	<u>SOURCE OF FUNDS</u>	<u>JOBS TO BE CREATED</u>	<u>STATUS/ACTION TO BE TAKEN</u>
<u>WAREHAM</u>				
● Rehabilitate old school into multi-service community center to include recreation, elderly & social services	\$350,000	MSCP	5	Complete in 5 years
● Develop Phase III Industrial Park	Unknown	EDA, Land Bank, EDSA, Local	1,200	Ready for funding 91-92
<u>WESTPORT</u>				
● Construction of infiltration basin to handle stormwater runoff from Hixbridge Rd.	\$29,572.40	Unknown	None	Ready for funding 91-92
● Extend 12' water main off the Fall River water distribution system along Rte. 6 to the Dartmouth line	\$2 million	Local, FMHA, HUD	Unknown	Long-Term
● Dredging & construction of a sand bypass system for the entrance channel to the Westport River	Unknown	Local, Div. of Waterways, Corps of Engineers	Unknown	Long-Term

C. PLAN FOR IMPLEMENTATION

1. DISTRICT STRATEGY

a. Rationale

The overall purpose of the Public Works and Economic Development Act of 1965, as amended, is...

To provide for public works and development facilities, other financial assistance and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions.

The District program is funded under this legislation. Since its establishment in 1969, the District has developed projects and conducted other economic activities with EDA assistance to improve the economic viability of the region. The focus of these activities has been two fold: planning efforts to facilitate public and private investment in the region and project specific development primarily in the region's industrial parks and ports.

Although the region's unemployment rate had dropped since the recession year of 1982 to 0.8% below the national average in 1988 and only 1.4% above the state average for that same year, the region witnessed a dramatic adverse change in fortune over the past 24 months. Through the first three months of 1991, the unemployment rate for the SRPEDD region is 7.9% above the national average and 5.0% above the state average.

As the recession deepens, the region finds the gap widening once again. The expansion of Boston area companies into the region has been illusory, and once again the SRPEDD region has fallen into the "last hired, first fired" syndrome.

In the Fall River and New Bedford areas, there is a high reliance on the apparel and textile industries. Historically these industries have not done well in recessionary times. Apparel and textiles have been and continue to be negatively impacted by foreign imports.

In the Attleboro area the jewelry industry faces the same plight as the apparel and textile industries. The area, however, has a more diversified industrial base than the Fall River or New Bedford areas.

The region, however, is beginning to diversify its industrial base. The area is reinvesting in rapid growth industries and export-oriented services.

When the Route 128 "belt" is saturated from labor competition, the Route 495 "belt" in the region is perceived as increasingly attractive. But when the economic prospects along the 495 "belt"

are dimmed, the region suffers disproportionately. Nevertheless, the future of communities in the Route 495 "belt" looks brighter than the rest of the region in terms of industrial development and office market potential. Industrial parks in Mansfield, North Attleborough and Taunton have experienced an inflow of high technology firms. Future growth is expected in industrial areas in Attleboro, Fall River, New Bedford and Wareham as well.

It is important, however, that the region maintain existing industries like apparel, textiles and jewelry, which represent almost half of all manufacturing jobs.

The region must also make a concerted effort to help small business start-ups to survive and grow. The indigenous growth industries will help the region by buffering the impacts of recession.

To put it simply, the District's major goal is to create jobs and revitalize the region's economy. Its strategy as alluded to in the preceding discussion is to pursue a double-pronged approach:

- Provide opportunities and create a favorable climate for existing businesses to expand, and
- Attract new growth industries which will help diversify the economic base of the region.

The strategy is based on the reality of economic development -- that the majority of business expansions come from existing businesses. The District, therefore, needs to revitalize its more mature industries -- apparel, textiles and jewelry, and help its small growth industries to expand.

On the other hand, the District also needs to diversify its economic base since its older industries are extremely susceptible to recessionary trends. So far the District has not benefitted substantially by the growth of high technology industries and other growing industries located close by in Massachusetts.

b. Project Implementation

The District's strategy is being implemented through the development of high priority projects listed in the OEDP. In the cities of Fall River, Taunton, and New Bedford, and the Town of Wareham, the District has worked to provide prepared industrial space for existing industries to expand and for new industries coming into the region.

The District will continue to develop projects which meet its strategy. As projects are approved and funded by EDA, the District will continue to work with those involved to ensure timely completion and accomplishment of stated objectives. The District will provide the technical assistance needed to maximize the economic benefits gained by EDA investments.

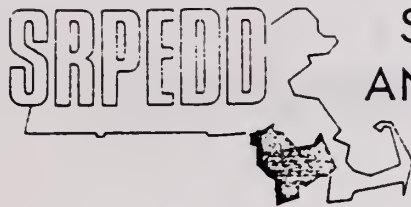
A new focus for the District since 1982 has been small business financing and technical assistance. This effort continued to expand in 1989. Small business financing provided by SEED Corporation's "504 Program" and the SBA 7A loan guarantee program, and a SEED revolving loan fund capitalized with \$500,000 from EDA and another \$500,000 from the state continued in 1989.

SRPEDD - 1991 WORK PROGRAM

Work Tasks	Deadline	Level of Effort	Committee Follow-up
1. Prepare Overall Economic Development Program (OEDP)	6/30/91	25% of EDA Planning Grant	Assist in securing EDA funding for top ranked projects
<ul style="list-style-type: none"> • EDA Project Ranking • Regional Infrastructure Needs List • Project Development 			
2. Support SEED Corporation	Ongoing	50% of EDA Planning Grant	Referrals; Publicize SEED Programs Locally
<ul style="list-style-type: none"> • Loan Packaging Under SBA, RLF and Human Capital Loan Funds • Technical Assistance to Small Business Clients 			
3. Industrial Waste Source Reduction	Seminars Scheduled May and June, 1991	5% of EDA Planning Grant	
<ul style="list-style-type: none"> • Sponsor Seminar for Industry in New Bedford Area on Source Reduction Techniques • Follow-up with Individual Companies 			
4. Data and Information	Ongoing	5% of EDA Planning Grant	Advise on Use and Analysis of Data; Provide Local Information
<ul style="list-style-type: none"> • Obtain and Analyze 1990 Census Data • Update SRPEDD Fact Book • Seek Funding for Regional Data Center 			

Work Tasks	Deadline	Level of Effort	Committee Follow-up
5. Technical Assistance to Cities and Towns <ul style="list-style-type: none"> • Model Zoning & Covenants • Grant Assistance for Infrastructure Improvements 	Ongoing	5% of EDA Planning Grant	EDC Members Provide Information and Input
6. Regional Industrial Land Study <ul style="list-style-type: none"> • Inventory of Sites • Recommendations to Expand Supply of Industrial Land 	8/31/91	Separate Technical Assistance Grant from EDA	EDC Members Provide Information and Input
7. Community Liaison <ul style="list-style-type: none"> • Economic Development Committee • Participation in Other Economic Development Efforts 	Ongoing	5% of EDA Grant	
8. Administration <ul style="list-style-type: none"> • Regional Reviews • Semi-Annual reports to EDA 	Ongoing	Overhead Item	

appendices



SOUTHEASTERN REGIONAL PLANNING AND ECONOMIC DEVELOPMENT DISTRICT

88 BROADWAY • TAUNTON, MASS. • 02780 • (508) 824-1367

M E M O R A N D U M

TO: Mayors
Boards of Selectmen
Industrial Development Commissions
Community and Economic Development Officials
SRPEDD Commission

FROM: Economic Development Committee

DATE: March 15, 1991

SUBJECT: Economic Development and Related Infrastructure Projects in
Southeastern Massachusetts

Once again we are beginning the process of updating the Overall Economic Development Program (OEDP) for southeastern Massachusetts. The OEDP makes communities eligible for Economic Development Administration (EDA) funding of economic development projects. We will also be including all local projects with an economic impact, whether or not they are EDA eligible.

With our economy in a deep recession, it is more important than ever that we catalog our infrastructure needs to develop a regional capital improvements list. Industrial parks, roads, water lines, sewer system improvements, rail lines and related public works projects are all crucial to revitalizing our economy. One of SRPEDD's roles is to plan for these infrastructure improvements and assist in getting them funded.

Please fill out the attached form for all public works type projects in your city or town that you feel will benefit the local or regional economy. We have attached last year's listing of public works projects for your reference.

The Committee will review the list to determine which projects may be eligible for EDA funding. Given the high unemployment rates in the region this year, there is a good possibility of federal funding of up to 60% of project costs, but a project must be listed in the OEDP to be eligible. We will work with cities and towns to refine EDA-eligible projects for ranking in the OEDP. We will use the complete list to bolster the case of financial assistance for infrastructure improvements in our region and in the individual cities and towns.

Please return the completed form by April 15, 1991. Make as many additional copies as you need. Include all information that you can, and leave the rest blank. We will publish in the OEDP all projects that are submitted, so do not let your city or town be omitted.

If you have any questions, please call Stephen Smith or Maria Gooch at (508) 824-1367. Thank you.

OFDP PROJECT LISTING
Preliminary Questionnaire

Community: _____

Contact Person: _____

Address: _____

Phone No.: _____

Project Information

Brief Description: _____

Type of Project:	Industrial Park _____	Solid Waste _____
	Road/Bridge _____	School _____
	Water _____	Other _____
	Sewer _____	_____

Status: Ready for funding in 1991-92 _____
Completion by 1996 _____
Long Term Project _____

If project is ready for funding in 1991-92, what is status of engineering and design? _____

Estimated Total Project Cost: _____

Potential Funding Sources: _____

Anticipated Private Sector Investment to be Created: _____

Number of Permanent Jobs to be Created: _____

Comments: _____

Please attach any additional information you may have about the project.

Please return in the enclosed envelope by April 15, 1991.

TABLE 9

OE DP - 1990 PUBLIC WORKS PROJECTS (UNRANKED)

<u>PROJECTS</u>	<u>ESTIMATED COST</u>	<u>SOURCE OF FUNDS</u>	<u>JOB TO BE CREATED</u>	<u>STATUS</u>
<u>Berkley</u>				
• Private Industrial Park - entrance widening	Unknown	Private	Unknown	Idea
• Regional Composting Facility	Unknown	Unknown	Unknown	Prel. Eng.
<u>Dartmouth</u>				
• Faunce Corner Road restructuring (5200+ feet)	\$846,500	FHWA, DPU, Town	Unknown	Design-90% complete
<u>Fairhaven</u>				
• Extension of D. Drown Boulevard--access to industrial area; water, sewer, storm drains, road construction	\$500-700,000	Chap. 90, PWED	Unknown	Prel. Eng.
<u>Fall River</u>				
• Incinerator conversion (air poll. control and elec. power generation)	\$38,000,000	EPA, DEP	Unknown	Prel. Eng.
<u>Lakeville</u>				
• Waterline extension down Precinct St. to serve town-owned industrial land	\$575,000	Unknown	Unknown	Idea
• Waterline from Bedford St. to Lakeville Hospital - will serve town-owned industrial land	\$800,000	Unknown	Unknown	Idea
• Salt removal from contaminated wells on Bedford St.	Unknown	Unknown	N/A	Idea
<u>Mansfield</u>				
• Road and drainage improvements	\$2,868,000	State and Local	Unknown	Prel. Eng.
• Bridges and dams rehabilitation	\$250,000	State and Local	Unknown	Prel. Eng.
• Sewer system improvements and extension	\$13,721,000	State and Local	Unknown	Prel. Eng.
• Water system improvements	\$7,572,000	State and Local	Unknown	Prel. Eng.

<u>PROJECTS</u>	<u>ESTIMATED COST</u>	<u>SOURCE OF FUNDS</u>	<u>JOBS TO BE CREATED</u>	<u>STATUS</u>
<u>New Bedford</u>				
* Construction of 3500 feet ... roadway with water and sewer lines in New Bedford Industrial Park (Dartmouth portion) to open 120 acres of land	\$1,200,000	EDA, local	1,000	Prel. Eng.
<u>Plainville</u>				
• Water booster pump station	\$300,000	Private	N/A	Idea
• Sewer main and laterals to serve housing	\$1,500,000	Private	N/A	Prel. Eng.
• Sewer installation on Washington St.	\$2,000,000	Private	N/A	Prel. Eng.
• Water main extension from Rte 152 to George St.	\$1,500,000	Unknown	N/A	Idea
<u>Rochester</u>				
• Reconstruct 1.2 miles of Burgess Avenue	\$110,000			Idea
• Reconstruct bridge over Sippican River (Mary's Pond Road)	Unknown			
• Reconstruct bridge over Sippican River (Bates Road)	\$45,000	PC&D(?)		
• Resurface 2.5 miles of North Ave.	Unknown			
<u>Swansea</u>				
• Reconstruct Bark St. from Marvel St. to Sterns Rd.	\$1,000,000	FIWA, DPW		Prel. Eng.
<u>Taunton</u>				
* Myles Standish Industrial Park - expansion of 265 acres (road, water, sewer)	\$6,625,000	EDA, CDAG, local, private	3,000	Prel. Eng.
<u>Wareham</u>				
• Develop a business incubator	\$260,000	EDA	30-50	Idea
• Reconstruct Cranberry Highway (Rtes 6 & 28)	\$300,000 (Design)	FIWA, DPW	Eng. & Construct.	Idea
* Construction Little Brook Rd. - Phase 2 Industrial Park to open up 16 acres of land	\$260,000	EDA, CDAG, Land Bank	240	Ready to Go
• Replacement of Narrows Bridge	\$9,500,000	FIWA, DPW	20-30	Ready to Go
• Expand STP to Tertiary treatment	\$1-2,000,000	EPA, DEP, Town	5-10	Idea

<u>PROJECTS</u>	<u>ESTIMATED COST</u>	<u>SOURCE OF FUNDS</u>	<u>JOB TO BE CREATED</u>	<u>STATUS</u>
<u>Wareham (continued)</u>				
• Planning to expand industrial land	\$5,000	Local	15	Idea
• Creation of "incentive zone" for Cranberry Highway	\$30,000	Unknown	Hundreds	Idea
• Various sewer extensions	\$3-5,000,000	EPA, DEP, Local	Unknown	Idea
<u>Westport</u>				
* • Water main extension along Rte 6	\$2,000,000	FHWA, HUD, Local	Unknown	Ready to Go
• Dredging & construction of sand by-pass for Westport River entrance	Unknown	Corps of Engineers	Unknown	Idea

* - EDA eligible

POPULATION GROWTH - 1980 AND 1990 CENSUS TOTALS

CITY/TOWN			% CHANGE
	CENSUS 1980	CENSUS 1990	1980 TO 1990
ACUSHNET	8704	9554	9.77%
ATTLEBORO	34196	38383	12.24%
BERKLEY	2731	4237	55.14%
CARVER	6988	10590	51.55%
DARTMOUTH	23966	27244	13.68%
DIGHTON	5352	5631	5.21%
FAIRHAVEN	15759	16132	2.37%
FALL RIVER	92574	92703	0.14%
FREETOWN	7058	8522	20.74%
LAKEVILLE	5931	7785	31.26%
MANSFIELD	13453	16568	23.15%
MARION	3932	4496	14.34%
MATTAPOISETT	5597	5850	4.52%
MIDDLEBOROUGH	16404	17867	8.92%
NEW BEDFORD	98478	99922	1.47%
NO. ATTLEBOROUGH	21095	25038	18.69%
NORTON	12690	14265	12.41%
PLAINVILLE	5857	6871	17.31%
PLYMPTON*	1974	2384	20.77%
RAYNHAM	9085	9867	8.61%
REHOBOTH	7570	8656	14.35%
ROCHESTER	3205	3921	22.34%
SEEKONK	12269	13046	6.33%
SOMERSET	18813	17655	-6.16%
SWANSEA	15461	15411	-0.32%
TAUNTON	45001	49832	10.74%
WAREHAM	18457	19232	4.20%
WESTPORT	13763	13852	0.65%
DISTRICT TOTAL	526363	565514	7.44%
DISTRICT W/OUT PLYMPTON*	524389	563130	7.39%
BRISTOL COUNTY	474641	506325	6.68%
PLYMOUTH COUNTY	405437	435276	7.36%
MASSACHUSETTS	5737093	6016425	4.87%

* Plympton withdrew from SRPEDD in December 1990.

SOURCE: 1980 & 1990 U.S. CENSUS OF POPULATION

		Population by Race					Hispanic Origin Population			Minorities (Hisp. and/or non-White)		
		Total Population	White	Black	Amer. Ind/E/A	Asian & Pac Is	Other races	Total (any Race)	White		Black	All other races
Acushnet	1990	9,554	9,426	38	19	22	49	50	40	1	9	168
	1980	8,704	8,626	14	8	6	50	59	54	0	5	132
	% Ch	9.8%	9.3%	171.4%	137.5%	266.7%	-2.0%	-15.3%	-25.9%	-	80.0%	27.3%
Attleboro city	1990	38,383	36,662	388	73	920	340	1,130	807	23	300	2,528
	1980	34,196	33,398	113	26	185	474	788	543	4	241	1,341
	% Ch	12.2%	9.8%	243.4%	180.8%	397.3%	-28.3%	43.4%	48.6%	475.0%	24.5%	88.5%
Berkley	1990	4,237	4,194	11	2	7	23	36	32	0	4	75
	1980	2,731	2,704	8	0	3	16	18	14	3	1	41
	% Ch	55.1%	55.1%	37.5%	-	133.3%	43.8%	100.0%	128.6%	-100.0%	300.0%	82.9%
Carver	1990	10,590	10,189	210	26	41	124	73	46	9	18	447
	1980	6,988	6,624	160	13	13	178	60	24	10	26	388
	% Ch	51.5%	53.8%	31.3%	100.0%	215.4%	-30.3%	21.7%	91.7%	-10.0%	-30.8%	15.2%
Dartmouth	1990	27,244	26,434	197	24	228	361	279	192	13	74	1,002
	1980	23,966	23,387	124	14	100	341	292	232	5	55	811
	% Ch	13.7%	13.0%	58.9%	84.6%	128.0%	5.9%	-4.5%	-17.2%	160.0%	34.5%	23.6%
Dighton	1990	5,631	5,578	16	12	8	17	67	58	3	6	111
	1980	5,352	5,312	6	5	5	24	63	50	0	13	90
	% Ch	5.2%	5.0%	166.7%	140.0%	60.0%	-29.2%	6.3%	16.0%	-	-53.8%	23.3%
Fairhaven	1990	16,132	15,749	85	33	76	189	136	93	4	39	476
	1980	15,759	15,376	62	15	42	264	178	145	1	32	528
	% Ch	2.4%	2.4%	37.1%	120.0%	81.0%	-28.4%	-23.6%	-35.9%	300.0%	21.9%	-9.8%
Fall River city	1990	92,703	90,076	952	94	1,230	351	1,577	1,282	52	243	3,909
	1980	92,574	91,395	427	55	222	475	2,187	2,031	17	139	3,210
	% Ch	.1%	-1.4%	123.0%	70.9%	454.1%	-26.1%	-27.9%	-36.9%	205.9%	74.8%	21.8%
Freetown	1990	8,522	8,321	46	15	33	107	65	47	6	12	248
	1980	7,058	6,887	28	25	15	103	56	40	0	16	211
	% Ch	20.7%	20.8%	64.3%	-40.0%	120.0%	3.9%	16.1%	17.5%	-	-25.0%	17.5%
Lakeville	1990	7,785	7,699	25	15	32	14	51	41	1	9	127
	1980	5,931	5,889	10	5	21	6	30	30	0	0	72
	% Ch	31.3%	30.7%	150.0%	200.0%	52.4%	133.3%	70.0%	36.7%	-	-	76.4%
Mansfield	1990	16,568	16,052	280	28	151	57	197	128	13	56	644
	1980	13,453	13,241	93	10	72	37	78	63	0	15	275
	% Ch	23.2%	21.2%	201.1%	180.0%	109.7%	54.1%	152.6%	103.2%	-	273.3%	134.2%
Marion	1990	4,496	4,074	121	4	40	257	76	47	4	25	469
	1980	3,932	3,473	141	2	14	302	63	10	5	48	469
	% Ch	14.3%	17.3%	-14.2%	100.0%	185.7%	-14.9%	20.6%	370.0%	-20.0%	-47.9%	-
Mattapoisett	1990	5,850	5,686	29	5	33	97	65	57	0	8	221
	1980	5,597	5,450	31	3	24	88	31	22	4	5	169
	% Ch	4.5%	4.3%	-6.5%	66.7%	32.0%	10.2%	109.7%	159.1%	-100.0%	60.0%	30.8%
Middleborough	1990	17,867	17,358	274	64	66	105	170	123	17	30	632
	1980	16,404	15,975	190	49	27	163	139	103	3	33	532
	% Ch	8.9%	8.7%	44.2%	70.6%	144.4%	-35.6%	22.3%	19.4%	466.7%	-9.1%	19.8%

New Bedford city	1990	99,922	87,486	4,069	404	404	7,559	6,653	3,200	577	2,876	15,636
	1980	98,478	87,993	2,620	269	235	7,361	4,497	2,394	104	1,999	12,879
	% Ch	1.5%	-6%	55.3%	52.5%	71.9%	2.7%	47.9%	33.7%	454.8%	43.9%	21.4%
North Attleborough	1990	25,038	24,546	132	16	298	46	202	158	2	42	650
	1980	21,095	20,889	54	11	87	54	111	91	4	16	297
	% Ch	18.7%	17.5%	144.4%	60.0%	242.5%	-14.8%	82.0%	73.6%	-50.0%	162.5%	118.9%
Norton	1990	14,265	13,852	191	26	148	48	174	119	5	50	532
	1980	12,690	12,371	202	8	55	54	140	112	3	25	431
	% Ch	12.4%	12.0%	-5.4%	271.4%	169.1%	-11.1%	24.3%	6.3%	66.7%	100.0%	23.4%
Plainville	1990	6,871	6,766	41	1	53	10	60	52	0	8	157
	1980	5,857	5,825	20	0	7	5	29	26	0	3	58
	% Ch	17.3%	16.2%	105.0%	-	657.1%	100.0%	106.9%	100.0%	-	166.7%	170.7%
Raynham	1990	9,867	9,679	83	11	76	18	86	80	4	2	268
	1980	9,085	9,000	19	8	41	17	59	58	0	1	143
	% Ch	8.6%	7.5%	336.8%	37.5%	85.4%	5.9%	45.8%	37.9%	-	100.0%	87.4%
Rehoboth	1990	8,656	8,542	39	6	44	25	54	43	0	11	157
	1980	7,570	7,496	34	6	10	24	33	30	2	1	104
	% Ch	14.3%	14.0%	14.7%	-	340.0%	4.2%	63.6%	43.3%	-100.0%	1,000.0%	51.0%
Rochester	1990	3,921	3,842	38	0	5	36	23	15	2	6	94
	1980	3,205	3,089	62	1	0	53	18	14	4	0	130
	% Ch	22.3%	24.4%	-38.7%	-100.0%	-	-32.1%	27.8%	7.1%	-50.0%	-	-27.7%
Seekonk	1990	13,046	12,724	93	23	162	44	72	65	5	2	387
	1980	12,269	12,061	63	12	46	87	81	72	0	9	280
	% Ch	6.3%	5.5%	47.6%	91.7%	252.2%	-49.4%	-11.1%	-9.7%	-	-77.8%	38.2%
Somerset	1990	17,655	17,463	25	18	117	32	137	116	2	19	308
	1980	18,813	18,638	18	2	113	42	186	168	0	18	343
	% Ch	-6.2%	-6.3%	38.9%	800.0%	3.5%	-23.8%	-26.3%	-31.0%	-	5.6%	-10.2%
Swansea	1990	15,411	15,241	52	22	67	29	91	72	0	19	242
	1980	15,461	15,296	47	19	57	42	123	117	0	6	282
	% Ch	-3%	-4%	10.6%	15.8%	17.5%	-31.0%	-26.0%	-38.5%	-	216.7%	-14.2%
Taunton city	1990	49,832	47,484	1,000	82	227	1,039	2,362	1,702	135	525	4,050
	1980	45,001	43,380	645	41	88	847	1,292	955	44	293	2,576
	% Ch	10.7%	9.5%	55.0%	105.0%	158.0%	22.7%	82.8%	78.2%	206.8%	79.2%	57.2%
Wareham	1990	19,232	17,329	476	99	91	1,237	580	235	46	299	2,138
	1980	18,457	16,145	464	78	54	1,716	330	142	35	153	2,454
	% Ch	4.2%	7.3%	2.6%	26.9%	68.5%	-27.9%	75.8%	65.5%	31.4%	95.4%	-12.9%
Westport	1990	13,852	13,725	20	8	63	36	88	75	1	12	202
	1980	13,763	13,632	12	32	45	42	123	110	0	13	241
	% Ch	.6%	.7%	66.7%	-75.0%	40.0%	-14.3%	-28.5%	-31.8%	-	-7.7%	-16.2%

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For abbreviations and definitions, see accompanying text.

District totals not yet completed...

	Population by Race						Hispanic Origin Population				
	Total Population	White	Black	Amer. Ind/E/A	Asian & Pac Is	Other races	Total (any Race)	White	Black	All other races	
Bristol County	1990	506,325	482,426	8,054	937	4,478	10,430	13,578	8,394	851	4,333
	1980	474,641	457,376	4,795	598	1,489	10,383	10,435	7,344	189	2,902
	% Ch	6.7%	5.5%	68.0%	59.1%	200.7%	5%	30.1%	14.3%	350.3%	49.3%
Plymouth County	1990	435,276	406,699	16,520	888	3,452	7,717	9,571	4,852	1,517	3,202
	1980	405,437	389,358	8,144	678	1,425	5,832	4,429	2,698	327	1,404
	% Ch	7.4%	4.5%	102.8%	31.8%	142.2%	32.3%	116.1%	79.8%	363.9%	128.1%
Massachusetts	1990	6,016,425	5,405,374	300,130	12,241	143,392	155,288	287,549	125,082	25,666	136,801
	1980	5,737,037	5,362,836	221,279	7,743	49,501	95,678	141,043	68,685	7,664	64,694
	% Ch	4.9%	0.8%	35.6%	58.1%	189.7%	62.3%	103.9%	82.1%	234.9%	111.5%

District totals not yet completed...

The 1990 population counts set forth herein are subject to possible correction for undercount or overcount. The United States Department of Commerce is considering whether to correct these counts and will publish corrected counts, if any, not later than July 15, 1991.

State Data Center, Massachusetts Institute for Social and Economic Research, 128 Thompson Hall, University of Massachusetts, Amherst, MA 01003

(413) 545-3460

Abbreviations and Definitions

Amer. Ind/E/A American Indians, Eskimos, and Aleuts

Asian & Pac Is Asians and Pacific Islanders

Other Races Includes all races not specifically identified on the census questionnaire (write-in answers) including Hispanic responses to the race question. In 1980 also included certain Asian write-in categories (e.g. Cambodians).

Hispanic origin, all other races Includes American Indian, Asian, and other race Hispanics.

Minorities Includes Hispanic persons of all races and all non-whites (without counting non-white Hispanics twice).

% Ch Change from 1980 to 1990 expressed as a percent of the 1980 count.

March 19, 1991

Housing Units and Household Size: Massachusetts Cities and Towns, 1990 and 1980

		Housing Units			Population			Persons per Household
		Total	Vacant	Occupied	Total	in GQtrs	in Hholds	
Acushnet	1990	3,526	98	3,428	9,554	28	9,526	2.78
	1980	3,063	73	2,990	8,704	34	8,670	2.90
	% Ch	15.1%	34.2%	14.6%	9.8%	-17.6%	9.9%	-4.2 %
Attleboro city	1990	15,045	865	14,180	38,383	601	37,782	2.66
	1980	12,503	605	11,898	34,196	567	33,629	2.83
	% Ch	20.3%	43.0%	19.2%	12.2%	6.0%	12.3%	-5.7 %
Berkley	1990	1,411	59	1,352	4,237	0	4,237	3.13
	1980	897	56	841	2,731	0	2,731	3.25
	% Ch	57.3%	5.4%	60.8%	55.1%	-	55.1%	-3.5 %
Carver	1990	3,799	214	3,585	10,590	26	10,564	2.95
	1980	2,421	277	2,144	6,988	16	6,972	3.25
	% Ch	56.9%	-22.7%	67.2%	51.5%	62.5%	51.5%	-9.4 %
Dartmouth	1990	9,989	799	9,190	27,244	2,144	25,100	2.73
	1980	8,375	500	7,875	23,966	1,389	22,577	2.87
	% Ch	19.3%	59.8%	16.7%	13.7%	54.4%	11.2%	-4.7 %
Dighton	1990	1,994	67	1,927	5,631	56	5,575	2.89
	1980	1,788	57	1,731	5,352	53	5,299	3.06
	% Ch	11.5%	17.5%	11.3%	5.2%	5.7%	5.2%	-5.5 %
Fairhaven	1990	7,093	734	6,359	16,132	281	15,851	2.49
	1980	6,482	715	5,767	15,759	301	15,458	2.68
	% Ch	9.4%	2.7%	10.3%	2.4%	-6.6%	2.5%	-7.0 %
Fall River city	1990	40,375	3,072	37,303	92,703	1,751	90,952	2.44
	1980	37,021	2,126	34,895	92,574	1,906	90,668	2.60
	% Ch	9.1%	44.5%	6.9%	.1%	-8.1%	.3%	-6.2 %
Freetown	1990	2,906	184	2,722	8,522	108	8,414	3.09
	1980	2,352	204	2,148	7,058	100	6,958	3.24
	% Ch	23.6%	-9.8%	26.7%	20.7%	8.0%	20.9%	-4.6 %
Lakeville	1990	3,138	534	2,604	7,785	240	7,545	2.90
	1980	2,496	605	1,891	5,931	214	5,717	3.02
	% Ch	25.7%	-11.7%	37.7%	31.3%	12.1%	32.0%	-4.2 %
Mansfield	1990	6,357	417	5,940	16,568	24	16,544	2.79
	1980	4,710	202	4,508	13,453	0	13,453	2.98
	% Ch	35.0%	106.4%	31.8%	23.2%	-	23.0%	-6.7 %
Marion	1990	2,045	458	1,587	4,496	310	4,186	2.64
	1980	1,749	332	1,417	3,932	11	3,921	2.77
	% Ch	16.9%	38.0%	12.0%	14.3%	2718.2%	6.8%	-4.7 %
Mattapoisett	1990	2,949	716	2,233	5,850	38	5,812	2.60
	1980	2,606	626	1,980	5,597	39	5,558	2.81
	% Ch	13.2%	14.4%	12.8%	4.5%	-2.6%	4.6%	-7.3 %
Middleborough	1990	6,395	332	6,063	17,867	452	17,415	2.87
	1980	5,713	304	5,409	16,404	458	15,946	2.95
	% Ch	11.9%	9.2%	12.1%	8.9%	-1.3%	9.2%	-2.6 %
New Bedford city	1990	41,760	2,972	38,788	99,922	2,380	97,542	2.51
	1980	39,523	2,135	37,388	98,478	1,852	96,626	2.58
	% Ch	5.7%	39.2%	3.7%	1.5%	28.5%	.9%	-2.7 %
North Attleborough	1990	9,868	633	9,235	25,038	161	24,877	2.69
	1980	7,599	275	7,324	21,095	152	20,943	2.86
	% Ch	29.9%	130.2%	26.1%	18.7%	5.9%	18.8%	-5.8 %

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March 19, 1991

Housing Units and Household Size: Massachusetts Cities and Towns, 1990 and 1980

		Housing Units			Population			Persons per Household
		Total	Vacant	Occupied	Total	in GQtrs	in Hholds	
Norton	1990	4,852	211	4,641	14,265	1,214	13,051	2.81
	1980	3,903	201	3,702	12,690	1,409	11,281	3.05
	% Ch	24.3%	5.0%	25.4%	12.4%	-13.8%	15.7%	-7.7 %
Plainville	1990	2,727	85	2,642	6,871	93	6,778	2.57
	1980	2,137	58	2,079	5,857	75	5,782	2.78
	% Ch	27.6%	46.6%	27.1%	17.3%	24.0%	17.2%	-7.8 %
Raynham	1990	3,515	163	3,352	9,867	0	9,867	2.94
	1980	2,888	52	2,836	9,085	0	9,085	3.20
	% Ch	21.7%	213.5%	18.2%	8.6%	-	8.6%	-8.1 %
Rehoboth	1990	2,963	93	2,870	8,656	22	8,634	3.01
	1980	2,472	76	2,396	7,570	11	7,559	3.15
	% Ch	19.9%	22.4%	19.8%	14.3%	100.0%	14.2%	-4.6 %
Rochester	1990	1,341	53	1,288	3,921	4	3,917	3.04
	1980	1,085	77	1,008	3,205	0	3,205	3.18
	% Ch	23.6%	-31.2%	27.8%	22.3%	-	22.2%	-4.4 %
Seekonk	1990	4,626	144	4,482	13,046	0	13,046	2.91
	1980	4,144	142	4,002	12,269	6	12,263	3.06
	% Ch	11.6%	1.4%	12.0%	6.3%	-100.0%	6.4%	-5.0 %
Somerset	1990	6,614	204	6,410	17,655	150	17,505	2.73
	1980	6,394	135	6,259	18,813	0	18,813	3.01
	% Ch	3.4%	51.1%	2.4%	-6.2%	-	-7.0%	-9.1 %
Swansea	1990	5,471	219	5,252	15,411	170	15,241	2.90
	1980	5,232	204	5,028	15,461	150	15,311	3.05
	% Ch	4.6%	7.4%	4.5%	-.3%	13.3%	-.5%	-4.7 %
Taunton city	1990	20,281	1,432	18,849	49,832	940	48,892	2.59
	1980	16,770	975	15,795	45,001	1,519	43,482	2.75
	% Ch	20.9%	46.9%	19.3%	10.7%	-38.1%	12.4%	-5.8 %
Wareham	1990	11,383	4,013	7,370	19,232	285	18,947	2.57
	1980	10,927	4,159	6,768	18,457	271	18,186	2.69
	% Ch	4.2%	-3.5%	8.9%	4.2%	5.2%	4.2%	-4.3 %
Westport	1990	5,881	929	4,952	13,852	0	13,852	2.80
	1980	5,405	851	4,554	13,763	3	13,760	3.02
	% Ch	8.8%	9.2%	8.7%	.6%	-100.0%	.7%	-7.4 %
Bristol County	1990	201,235	13,567	187,668	506,325	11,363	494,962	2.64
	1980	176,657	9,719	166,938	474,641	10,651	463,990	2.78
	% Ch	13.9%	39.6%	12.4%	6.7%	6.7%	6.7%	-5.1 %
Plymouth County	1990	168,555	19,036	149,519	435,276	11,342	423,934	2.84
	1980	151,299	18,719	132,580	405,437	8,220	397,217	3.00
	% Ch	11.4%	1.7%	12.8%	7.4%	38.0%	6.7%	-5.4 %
Massachusetts	1990	2,472,711	225,601	2,247,110	6,016,425	214,307	5,802,118	2.58
	1980	2,208,146	175,429	2,032,717	5,737,037	199,652	5,537,385	2.72
	% Ch	12.0%	28.6%	10.5%	4.9%	7.3%	4.8%	-5.2 %

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Cliftex move means layoffs

By Natalie White
Standard-Times staff writer

NEW BEDFORD — Clothing manufacturer Cliftex Corp., one of the city's largest employers, will lay off some employees as it merges its coat plant at Brooke and Dean streets with the Ruth Street plant.

The company said the merger will make Cliftex more efficient and competitive with foreign importers and could eventually lead to 150 more jobs. But first, there will be layoffs.

Raymond Fuerschbach of Cliftex said he did not know the exact number of layoffs but that it would be "relatively insignificant." He said

the company hoped most of the layoffs would be temporary.

A union official said about 30 of the plant's 250 workers may lose jobs.

Carlos Visinho, a union spokesman, said he expects 30 or more jobs would be lost, but specifics have not been made available to Amalgamated Clothing and Textile Workers Union Local 377.

"Right now, we're still in negotiations. Cliftex has said that everyone except about 30 people will keep their jobs, and we are just trying to save jobs right now," said Mr. Visinho. "Right now, we don't have a lot of information."

The company plans to shut down the Brooke and Dean street coat plant and move those operations to the Ruth Street plant. That operation has already begun, and is expected to be completed in a few weeks.

Mr. Fuerschbach said the company sees most of the layoffs as temporary.

"It is a relatively insignificant number. Most all of the employees will be rehired, and most people are already working at the Ruth Street plant," he said. "There will be a few people who are temporarily laid off."

He said it is possible a few people (See CLIFTEX, Page A10)

■ Cliftex

(Continued from Page 1)
will be laid off permanently, but Cliftex expects that even those people will eventually get those jobs back through attrition, when other employees retire or quit.

He said the company's goal in the next year is to add from 75 to 150 jobs, a 5 to 10 percent increase in the company's work force of 1,500.

The consolidation of coat manufacturing into one plant will allow the company to automate its inventory system, he said. Currently, workers must physically check on the progress of coats as they are being made and hand-count inventory.

The new system will be computerized and facilitate ordering and delivery, Mr. Fuerschbach said. This, he said, will help Cliftex serve its customers better and make the

company more productive and efficient.

No major construction was needed at the Ruth Street plant for the merger. However, equipment from the other plant had to be moved, and rewiring and plumbing renovations were needed.

Cliftex also has a trouser manufacturing plant on Riverside Avenue, and a women's wear plant in Fall River.

In the last decade, the company has made several technological advance in order to better compete with foreign imports.

In the mid-1980s, Cliftex installed automatic, computer-driven knives to cut material, and in 1989, the company installed an automated material handling system.

During the last decade, the number of employees has reached as high as 2,000, dropped to 1,200 and is now at about 1,500.

2,000 jobs likely to go

5/30
Enterprise

Bank of New England will try to cut costs

THE ASSOCIATED PRESS

BOSTON — Analysts expect that at least 2,000 jobs will be eliminated at the Bank of New England as the company's new owner tries to cut costs by \$350 million and close or sell about 59 branches.

"It has to be done," said Gerard Cassidy, an analyst with Tucker Anthony Inc. in Portland, Maine.

Fleet-Norstar Financial Group Inc., based in Providence, R.I., disclosed some of its plans in documents filed recently with the Securities and Exchange Commission.

In April, the Federal Deposit Insurance Corp. picked Fleet to take over the Bank of New England, which collapsed a few months earlier under the weight of real-estate losses. The move will make Fleet the region's largest banking company.

Fleet-Norstar Chairman Terrence BANK/Page 8

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Murray had indicated previously that his company would consolidate the operations, since Fleet and Bank of New England overlap in various locations, particularly in Connecticut.

Fleet said in the SEC documents that it would eliminate approximately 11, 29 and 19 branches in Massachusetts, Connecticut and Maine respectively.

Bank of New England operates more than 300 branches in Massachusetts, Maine and Connecticut.

These cuts will occur over an 18-month period, in which Fleet expects to slash costs by \$350 million.

James Moynihan, an analyst with Advest Inc. in Boston, said these cuts should translate into the loss of 2,000 to 3,000 jobs. Bank of New England currently employs about 12,000 people.

By the time Fleet completes its acquisition, Bank of New England's assets are expected to total less than \$15 billion, Moynihan said. That compares with a peak late in 1989, when the bank had \$32 billion in assets and 18,000 employees.

"Certainly I think half that number (of employees) is justified in

FROM PA



Certainly I think half that number (of employees to be laid off) is justified in running a bank of that size.

— James Moynihan
analyst

running a bank half that size," Moynihan said.

Aside from the branch closings, Fleet will also consolidate data processing offices.

Representatives from Fleet and Bank of New England could not be reached for immediate comment.

Fleet expects to complete the transaction with the FDIC within the next couple of months. In the federal documents, Fleet repeated projections that it expects to lose up to \$15 million on the Bank of New England operations during the first six months after the acquisition. But eventually, Fleet expects to realize additional earnings of at least \$150 million a year.

Movers tell the sad tale: Skilled workers are leaving the state

Jobless Goodyear veteran dreads relocating

By Gretchen Fehrenbacher
Standard-Times staff writer

Every morning is another test of nerves. Joseph Costa Jr. opens his eyes and immediately his mind is on the telephone.

It's never far from his consciousness, even after a good night's sleep. Any time, the man from Goodyear in Danville, Va., could call, giving him the word: A job has opened up at the plant, and it's time for him to come down to work.

Mr. Costa wants the job, and he needs it. He's been

(See COSTA, Page A5)

I am just hoping my wife will like it. But I don't know.

— Joseph Costa Jr.

By Gretchen Fehrenbacher
Standard-Times staff writer

Norris Walecka Jr.'s moving business is on a roll right now, but he takes little comfort in what's driving it along.

An acid economy is shipping business out of state, and with it are going the people whose skill and labor built it up.

"They are moving out of Massachusetts because industry is moving out, and people will follow the jobs," said Mr. Walecka, president of A. Walecka & Son Inc. of New Bedford and Wareham.

He recently moved AT&T's Fairhaven operation to points south and west. Then he was hired by some of the employees who went along with the business.

Gus Yankopoulos, Wareham's director of development, said the exodus is stripping the state of some of its best workers.

"People with marketable skills will leave," he said. "We call it a brain drain."

"And that has been the tragedy in Massachusetts for a long time. The rank-and-file

talent is leaving. There are no jobs for them."

He noted that manufacturing jobs are evaporating. In Wareham, for example, 102 jobs were lost last year when the Sonoco Bag Co. closed.

The exodus is a quiet departure, but it is noted in the moving business. Skilled laborers, technicians — the backbone of the state's industry — are heading out of state.

(See EXODUS, Page A5)

No end in sight to employment woes

Handbag warehouse closing will cost city 50 more jobs

By M.W. Mulcahy
Standard-Times staff writer

NEW BEDFORD — An Oregon handbag importer told its 50 local employees Monday that it will close its New Bedford warehouse on July 15.

The local controller for Mutterperl Group Ltd., Eric Hartigan, said the company is consolidating its warehouses into one in Oregon. In addition to closing the warehouse at 358 Belleville Ave., Mutterperl has closed one in California.

Employees had speculated that the New Bedford warehouse would be closing last December, when the California warehouse closed. But Mutterperl officials denied any intention to close the New Bedford operation at that time.

Mr. Hartigan said the company already notified the Department of Employment and Training of its plans, and Mutterperl officials are negotiating layoffs with union workers.

The warehouse workers are represented by the Teamsters, Local 59, and the International Leather Goods and Novelty Workers Union.

The company imports and exports accessories, such as handbags and belts. The New Bedford warehouse was used by the Fairhaven Corp. for 84 years before it was taken over by Mutterperl in March 1985.

Defense cuts cost 29 jobs at Sippican

By Virginia Ryan
Standard-Times staff writer

MARION — Sippican Ocean Systems Inc. laid off 29 employees last week, the result of Pentagon budget cuts.

Most of the employees were production workers, said spokeswoman Donna O'Connor. She added that Sippican offered the workers "a generous severance policy" in addition to providing what the law requires.

The layoffs leave Sippican, which designs and makes oceanographic instruments, communications equipment and submarine-detection buoys, with 274 full-time employees.

There have been a few other layoffs at the company in the past year, but those affected fewer people. Several engineers and other white-collar workers were involved in the previous layoffs, Ms. O'Connor said.

About 80 percent of the company's \$32 million in sales in 1989 were linked to defense contracts, Ms. O'Connor said. She would not reveal more recent sales figures.

Last winter, Ms. O'Connor told The Standard-Times that Sippican would have to pursue defense contracts more aggressively and diversify into commercial products if it were to survive cuts in military spending.

Ms. O'Connor said Monday that Sippican has begun to diversify but that the military spending cuts were more severe than anticipated.

"There doesn't seem to be a lot of new defense work available — it's just not there. Even in the area of contract renewals, it's been pretty disappointing," she said.

The company is on Route 6, across from the Tabor Academy athletic fields.

NBST 5/21/91

Bank plans to foreclose on Taunton Mall

But shopping center is expected to stay open

By Terence Downing

ENTERPRISE STAFF WRITER

TAUNTON — The Taunton Mall, an enclosed, 20-store retail complex owned by real estate baron Harold Brown, is facing a foreclosure auction May 15.

Goldome Bank of Buffalo, N.Y., which holds a first mortgage on the 154,800-square-foot mall, is foreclosing on the mall's owners, Taunton Associates Limited Partnership. Harold Brown's Allston-based Hamilton Management Corp. is the general partner.

The foreclosure proceedings will not affect the day-to-day operation of the mall, and all stores remain open for business as usual, mall officials said.

Neil R. McCrystal, property manager for the mall, said Hamilton will do everything in its power to retain ownership of the mall because they see the facility as having a bright future.

He said negotiations are going on between the bank and the owners as well as other financial institutions. If an agreement is not reached, Hamilton would place the property under Chapter 11 bankruptcy court protection "only as a last resort" to retain ownership of the mall.

"This property has a good future. It has a great location and that is the key," said McCrystal. He said Hamilton considers the facility to be a community mall, whose customer base comes from downtown Taunton's workers, surrounding residential neighborhoods and people who live within a one-to-three-mile radius.

For those reasons, Hamilton does not feel as though the facility is threatened by the 1.1-million-square-foot Silver City Galleria, a two-story,

15-store regional mall under construction by The Pyramid Cos. at the intersection of Routes 24 and 140.

The outcome of the 1 p.m. auction will be watched closely by the Taunton Redevelopment Authority, which retains legal planning control over the site under the 1966 High Street Urban Renewal Plan, according to TRA attorney Robert G. Treano.

The TRA's 40-year control covers a wide range of items that include curb cuts, parking, signage, traffic control and other physical features.

Treano said the original mortgage was with New England Merchants National Bank, but the mortgage has since been reassigned several times to different financial institutions.

A second mortgage is held by the mall's original owners, Taunton Redevelopment Associates, Treano said.

A free-standing Dunkin Donuts unit that has been planned for the mall property has been put on hold by the TRA until the ultimate ownership of the mall can be finalized, Treano said.

The enclosed mall sits on a 15.6-acre parcel bordered by Washington Street and Cohannet Street. The site is about one block from downtown and is adjacent to the city's bus terminal and the YMCA.

The mall's anchor tenant is a 70,000-square-foot Bradlee's Department store. A second anchor, Stop & Shop, closed its store in 1989 and the 26,000-square-foot space has not been leased.

Hamilton's inability to fill the space left vacant by Stop & Shop has "put a crimp" in the group's ability to refinance the project, McCrystal said.

"We had to forestall some interest payments on the mortgage and we got behind on it," said McCrystal. "The bank has called the mortgage in." He said Hamilton had been seeking to refinance about one-quarter of the \$600,000 they spent on renovations since acquiring the mall in September 1989. The partnership paid about \$6.2 million for the mall.

"The operation is not broke and the mall is not insolvent. We've had some problems refinancing for capital improvements. The banks are so tightly controlled and they say the property is worth less than we feel it is," said McCrystal.

The mall has 15 tenants, including a 12,000-square-foot Cherry, Webb & Touraine, Radio Shack, Rite Aid Pharmacy, Bliss Dairy, branch office of the New Bedford Institution For Savings and Del's Hairstyling.

Some of Brown's real estate and development holdings were placed in Chapter 11 bankruptcy protection from creditors March 13. Brown said he was forced to take the action because Bank of New England was unwilling to negotiate fairly.

McCrystal said the Taunton Mall was not among the entities covered under the March bankruptcy filings.

Taunton Mall auction postpone

TAUNTON — The foreclosure auction of the Taunton Mall scheduled for today was postponed until June 19th at 1 p.m.

The 20-store, enclosed mall owned by real estate baron Harold Brown, is facing foreclosure by Goldome Bank of Buffalo, N.Y. The facility, located on Washington Street and adjacent to the Taunton YMCA, was purchased by the Taunton Area Limited Partnership in September 1989 for \$6.2 million.

Brown's group has spent \$600,000 on renovations and improvements to the mall, but has had trouble refinancing the project. Mall owners have also been unable to fill a 26,000 square foot spot left vacant by former anchor tenant Stop & Shop. The other anchor is Bradlee's Department Store.

Brown's Allston-based Hamilton Management Corp., has vowed to retain ownership of the mall because they say it has a bright future.

Region's jobless rate still climbing

By Terence Downing
ENTERPRISE STAFF WRITER

Interest rates may be falling, but unemployment rates across southeastern Massachusetts continue to rise.

Jobless rates in March, the most recent month for which figures are available, moved upward in the region's five cities, as Fall River and New Bedford broke the 19 percent barrier and Taunton hit 15 percent. Brockton, where 31 police officers lost jobs in April, saw its jobless rate inch up to 12.9 percent from 12.8 percent.

In Taunton, where Mayor Richard Johnson this week predicted the layoffs of 111 municipal employees, the city saw its jobless rate jump from 14.7 percent in February to 15 percent.

More than 3,600 people are listed as jobless in Taunton, which has already been hit with layoffs at the state-run Paul A. Dever school, GTE in the industrial park and Taunton Silversmiths.

"The rate could go higher," said Richard Shafer, chairman of Taunton's Employment Task Force and executive director of the Industrial Development Commission.

Due to the city's high jobless rate, officials are opening up a federally funded Worker Assistance Program this month at the City Hall Annex, Shafer said.

Shafer said no single layoff has been re-

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JOBS

From Page 1

sponsible for Taunton's jobless rate, but it is a combination of many companies "tightening their belts." In addition, the rate has risen because many residents who commute to work outside Taunton have lost jobs and register for unemployment benefits at the local Department of Employment and Training office.

"A lot of Taunton residents commute to work in the Route 128 and Attleboro areas and have lost jobs," said Shafer. A recent profile of the city's unemployed showed that 40 percent are white-collar workers in the managerial, professional, technical and clerical fields. About 20 percent of the jobless are in construction.

Shafer said city officials are hopeful that a proposed coal-fired power plant and the Silver City Galleria Mall will relieve some of the jobless burden. The power plant, which still needs state and federal approvals, is expected to provide more than 250 temporary construction jobs and 65 permanent jobs paying about \$37,000 per year.

Brockton, facing hundreds of municipal layoffs, posted a March unemployment of 12.9 percent with 6,261 people listed as out of work. A year ago the jobless rate was 8.3 percent.

Attleboro's jobless rate jumped from 10.7 percent in February to 11 percent in March; Raynham's rate went from 9.7 percent to 10.6 percent in March and Avon's rate rose from 10.4 percent to 11.6 percent.

The Massachusetts jobless rate is 9.9 percent but could hit double digit figures when the new rate is announced Friday.

Joseph P. Joseph, executive di-

Area jobless rate

By percent for period of March 1991, 1990

City/Town	Mar. '91	Mar. '90	City/Town	Mar. '91	Mar. '90
Abington	11.7	6.2	Mansfield	9.8	7.2
ATTLEBORO	11.0	7.7	Marshfield	10.7	6.5
Avon	11.6	5.3	Middleboro	16.7	9.9
Berkley	14.6	8.6	NEW BEDFORD	19.1	12.5
Bridgewater	11.2	6.4	Norton	10.5	6.5
BROCKTON	12.9	8.3	Norwell	7.3	5.3
Carver	13.9	7.6	Pembroke	10.9	7.2
Dighton	14.0	8.0	Plymouth	14.6	8.5
Duxbury	7.3	4.0	Plympton	13.8	8.2
E. Bridgewater	13.5	6.8	Randolph	9.8	5.0
Easton	10.0	4.9	Raynham	10.6	6.0
FALL RIVER	19.0	13.4	Rockland	13.8	7.3
Halifax	12.9	8.8	Stoughton	9.6	5.1
Hanover	9.9	5.5	TAUNTON	15.0	9.7
Hanson	12.8	6.8	Wareham	16.9	9.6
Holbrook	10.1	5.7	W. Bridgewater	10.8	5.2
Kingston	10.2	7.5	Whitman	12.0	6.4
Lakeville	7.2	4.1	STATE	9.9	5.4

Source: Mass. Department of Employment & Training

THE ENTERPRISE

rector of the Brockton Area Private Industry Council, a state and federally-funded job training and assistance agency, said the March rates also reflect individuals who have re-registered for benefits under a 9-week federal extension. Many Massachusetts residents had exhausted their 30 weeks of unemployment benefits and the federal government recently approved the extension.

In anticipation of a wave of city layoffs, Joseph said PIC applied for a "Disaster Relief" job training grant from the Industrial Services Program and has received

\$100,000 in initial funding. Joseph said he anticipates more funding.

Joseph said layoffs in the Brockton area have leveled off and he expects the city's jobless rate to stabilize by next month.

Frank A. Cahill, senior labor market economist with the Department of Employment and Training, also believes jobless rates will begin to stabilize.

"I'm not predicting a recovery, but you won't see the rapid increases in the rates that we saw last year," said Cahill. "The rates are going to begin to slow down."

Fall River jobless rate climbs to 19%

Jobless rate

(Continued from Page One)

were employed in Greater Fall River. By March the figure had dropped to 50,800, Cahill said.

The state unemployment figures are due out on Friday and are expected to reach double-digits.

Cahill said the state figures come in at a less percentage because those rates are adjusted and don't reflect seasonal employment.

The high jobless rate began back in January when the city hit a staggering 17.2 percent, the highest in the state and one of the highest nationwide. It was also the highest recorded for the city in more than 50 years of record keeping.

February's rate climbed to 18 percent, up from 12.5 percent one year ago.

Traditionally, unemployment rates escalate in the winter and drop as spring approaches with the creation of seasonal jobs. Most of the seasonal job occur in the construction industry, Cahill said.

The construction industry gained 100 jobs in March, Cahill said rising to 1,300. Yet manufacturing jobs in Greater Fall River dropped by 400 to 13,300. "The manufacturing industry has just been in a long term downward swing," Cahill said. "It's hard to say what will happen in those jobs."

The wholesale/retail business picked up 100 jobs and came in at 13,000.

Jobs remaining the same were government at 7,000, services at 11,100, financial/real estate/insurance jobs at 3,200 and transportation/public utilities at 1,900. In February 51,000 people

Turn to **JOBLESS**, Page 10.

to work in April, May and June," he said. Yet, in June college graduates and high school graduates flood the market looking for jobs, bringing the rate up again, he said.

The Greater Fall River labor market's jobless rate is 16.3 percent up from 15.6 recorded in February and 11.2 percent for March 1990. The Greater Gardner market was the state's highest with 17 percent. Greater Fall River and Greater New Bedford were tied for second place at 16.3 percent.

"It's the economy. We just don't know when this recession will break," Cahill said. "There's an uneasiness all around."

By CAROL LEE COSTA-CROWELL
Herald News Staff Reporter

FALL RIVER — A sagging economy has sent the city's unemployment rate soaring to 19 percent for March.

The figure was only slightly behind that of New Bedford's 19.1 reflecting the third month of record-breaking statistics in southeastern Massachusetts.

"We should be turning around when April figures come out," said Frank Cahill, senior labor economist with the state Department of Employment and Training. "Construction jobs are already picking up. Traditionally, we see more and more people going back

Standard Times 4/3

Area jobless rate rises to 16.3%

By Gretchen Fahrenbacher
Standard-Times staff writer

One hundred more jobs were lost in the area in March, as unemployment climbed to 16.3 percent, and to 19.3 percent in New Bedford, according to a state labor economist.

But a sharp drop in claims for unemployment benefits hints that the worst may be over, at least for the spring, when work typically picks up, said Frank Cahill, senior labor market economist for the state Department of Employment and Training.

"Orders are picking up, phones are ringing, companies are putting on new production lines. Companies that are doing well are doing well, and companies that are not doing well are not doing well," he said.

Whether the economy as a whole has hit bottom is unclear, he said.

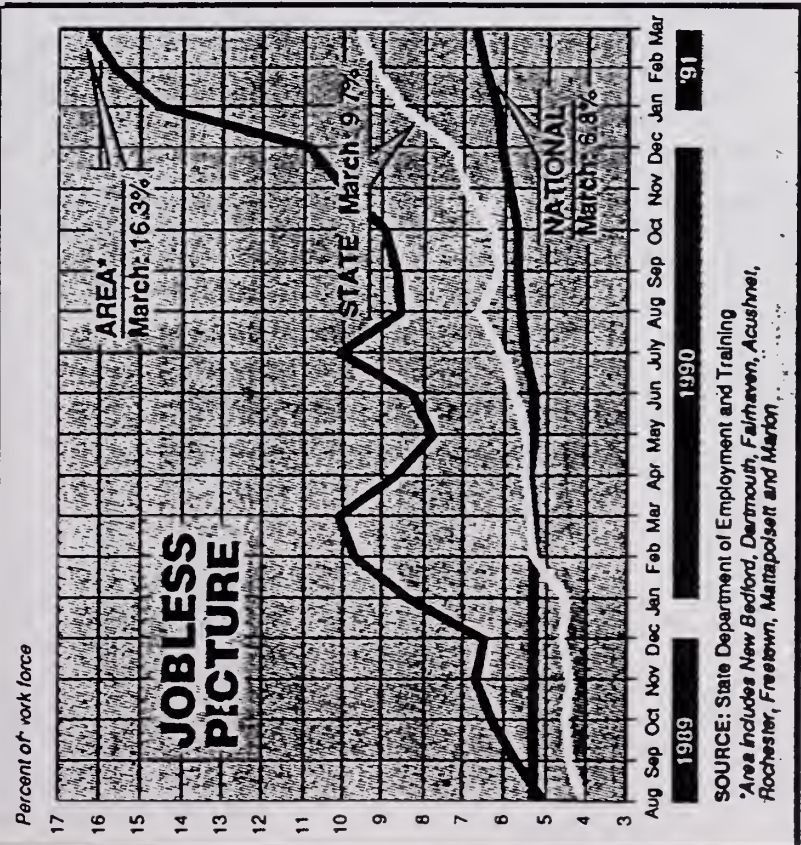
Clyde Mitchell, director of Southeastern Massachusetts University's Small Business Development Center, said there were hints of improved real estate sales, but other wise, conditions look bleak.

"Everybody is hurting," Mr. Mitchell said. "The only people who are doing well are the auctioneers."

Mr. Cahill said the situation is the worst since the recession of the mid-1970s. At its peak in January 1975, unemployment was 16.9 percent in the New Bedford area. But he would not speculate on whether it is the worst since the Great Depression. He said new method of calculating the labor statistics make comparison meaningless.

According to the state labor figures, new unemployment claims filed in March were down from a month earlier.

(See JOBS, Page A6)



■ Jobs

(Continued from Page 1)

earlier. For March 19-25, 393 new claims were filed, down from 978 in the comparable week in February. Continued claims were down slightly for the month, Mr. Cahill said.

For the New Bedford area labor market, March's rate of unemployment was an increase from February's 15.8 percent. A year ago, it was 10.2 percent.

For the city, the rate was eight-tenths of a percentage point higher than February's 18.3 percent. A year earlier, it was 12.5 percent, according to Mr. Cahill.

Unemployment dropped slightly in Wareham to 16.9 percent, compared to 17.2 percent in February.

Middleboro's rate increased slightly to 16.7 percent, compared to 16.6 percent in February; Lakeville also showed a slight increase, from 7.1 percent to 7.2 percent.

Mr. Cahill said there were 61,700 jobs in the area in March, 100 fewer than in the preceding month. The breakdown was: construction, unchanged at 1,600; manufacturing, down by 200 to 15,100; transportation and public utilities, by 100 to 2,600; and wholesale and retail trade, unchanged at 15,800.

Also, finance, insurance and real estate, unchanged at 2,400; services, up 100 to 14,800, and government, down 100 to 9,400.

The area's figures come as no surprise, given an economy that has slid

steadily for more than a year. Workers in private and public employment continue to tumble off payrolls onto unemployment.

While Mr. Cahill sees reason for optimism, David Barnet, president of the non-profit Economic Development Corp. of Greater New Bedford Inc., said the situation is discouraging.

"I see some activity, and some signs of a reversal, but every time I see something positive, I see something negative," he said.

Mr. Barnet, a New Bedford attorney, said orders for production are starting to pick up slightly in certain local industries. He would not name them, saying some are clients.

But he said the "negatives" are in state government, where the Legislature is considering state-mandated benefits that will make it more difficult for small businesses to survive. Also, "I don't think the state is attending to the basic issue of what it takes to make the system work — jobs," he said.

"Can you think of a good, logical reason why a business would want to locate here?" Mr. Barnet asked.

He also chided state and federal legislators for trying to protect their own turf, but not looking out for the overall interests of the public.

He said the local area would do well "if we didn't have to fight our state."

"We have good people — people who are willing and want to work," he said.

Acushnet firm will close, taking 35 jobs

President calls severance package generous

By Robert Lovinger
Standard-Times staff writer

ACUSHNET — Integrated Technologies, a local company swallowed up by Union Carbide in 1987, will close its doors by the end of the year.

At least 16 of the Mill Road firm's 35 employees will be laid off in a phased shut-down. The remainder will be offered transfers to a Union Carbide plant doing similar work in Indianapolis, according to Dick Johnson, president of Integrated Technologies.

The company makes protective coating equipment for

the electronics industry.

Mr. Johnson said that while the economic recession is a factor in the move, "the real thing was the strengths involved in getting these two businesses together."

Hank Bok, who founded Integrated Technologies in 1977, sold the company to Union Carbide in 1987 and was hired back as the firm's vice president of technology. When the operation moves to Indianapolis, Mr. Bok will maintain an office here, working in new product development, marketing and sales.

Those people losing jobs here will be given a "generous severance package," according to Mr. Bok. The package will consist of cash, a temporary continuation of health benefits and training in the search for new work.

*The interests of the company are
of the foremost importance.*

— Hank Bok,
company founder

"The severance package will be unusually good, especially for a company located in New Bedford."

Initially devoted largely to military electronics applications, the company's work shifted more toward commercial areas, particularly the automobile industry, in recent years.

Asked whether he felt any sadness at the news of the closing, Mr. Bok replied that while he felt for those facing termination, "The interests of the company are of the foremost importance. . . . From a business point of view, this is the proper thing to do."

He praised Union Carbide for arriving in 1987 and stabilizing a business "that had had lots of ups and downs."

SRPEDD director predicts area has the resources to rebound from recession

By MARY JO CURTIS
Staff Reporter

MIDDLEBORO - The economy may be in a slump, but the news is not all bad for the Middleboro-Lakeville area.

That's the word from Steve Smith, executive director for the Southeastern Regional Planning and Economic Development District (SRPEDD), who addressed several dozen members of the Middleboro Area Chamber of Commerce at a breakfast meeting held at Lorenzo's Restaurant Tuesday. Describing the local economy during the past ten years as "a real roller coaster ride," Smith told Chamber members that the area is likely to make a good recovery from the current recession.

"The amenities that made this area so attractive in the mid-'80s are still in place, and I can't say that for some of the other communities in (the SRPEDD) region," he told the group. "You have a lot more going for you than many of your neighbors."

Smith described both local population and economic growth during the 1980s as "dramatic." Compared to a state-wide average population increase of 5% between 1980 and 1990, Bristol County and Plymouth County experienced growth rates of 6.7% and 7.4%, respectively, while Middleboro's population increased by 9% and Lakeville's by an even more dramatic 31%, he said.

"The growth in the (local) economic base exceeded the population growth," Smith said, reporting a 40% increase in the number of jobs in Middleboro, and a 125% increase in

Lakeville's employment opportunities, with job numbers climbing in that town from 976 in 1980 to 2193 in 1990.

Traffic patterns have also changed in the past ten years, according to Smith. In a report soon to be published, Middleboro claims three of the top five southeastern Massachusetts locations out of 41 studied by SRPEDD to measure traffic increases over the past decade. The completion of Route 495 in 1982 triggered what the director called "a dramatic difference in traffic," including a 60% increase in vehicles traveling through the Middleboro Rotary.

"Our belief after looking at the traffic projections is that the Middleboro circle is still going to be a problem, even with the economy slowing down," Smith said. The state Department of Public Works (DPW) is currently evaluating the so-called "Ring Road" proposal developed by the Middleboro Planning Board as a solution to some of the Rotary's traffic problems, he added, and is taking the idea "quite seriously." The plan would allow for the construction of a roadway north of the Rotary that would run through at least three permitted industrial parks, diverting commuter traffic from the circle itself.

Smith named several other locations subject to major traffic increases, including the Route 495 interchange at the Middleboro-Raynham exits (166%, up to 40,000 vehicles per day), the Middleboro-Rochester 495 interchange (147%, or 28,000 per day), and the Route

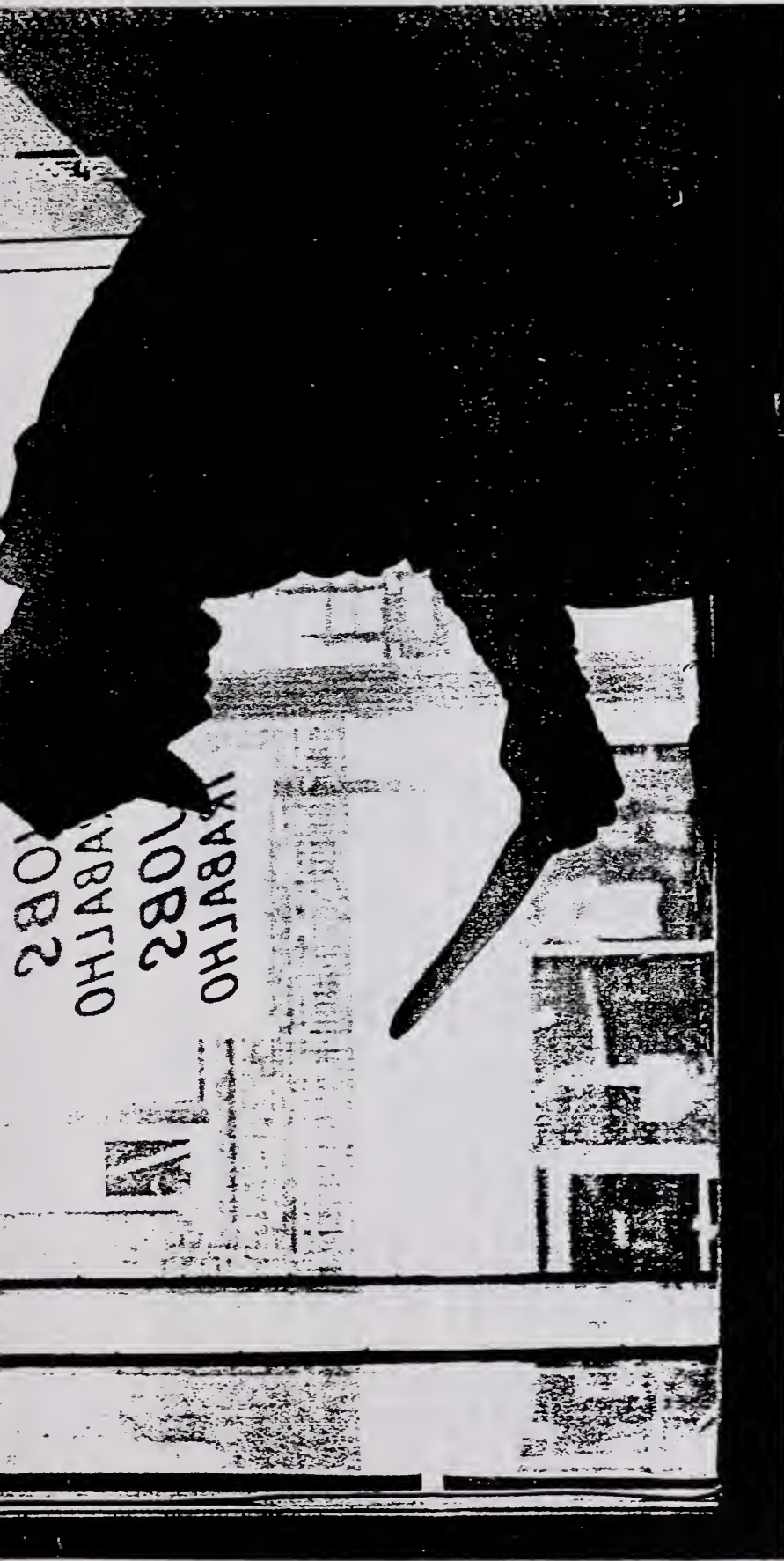
28/Taunton St. intersection (138%, or 14,700 vehicles per day.)

Including Raynham Woods, nearly 11 million square feet of industrial development is proposed in the immediate area, Smith said, the balance of which is located in Middleboro and Lakeville. After consulting with the developers involved, SRPEDD has revised the build-out time table for the area downward to reflect the current economy, estimating now that some one million square feet of development is likely to be constructed by the middle of the decade, and a total of 7 million should be realized by 2020. Putting those amounts in perspective for his audience, Smith said he recently visited Philadelphia, where the mayor "bragged" about the city's 8 million square feet of commercial development.

Smith cautioned local officials against "getting caught up in a boom and bust cycle."

"There's a tendency to tighten up (regulations) in a boom, and to loosen up in bad times - and that's wrong. The key is planning to keep us on an even keel," he said. "The byword here is certainty... most developers will comply with environmental regulations and so on as long as they know what to expect, how much it will cost, and how long it will take."

Smith also warned the group against getting caught up in "an on-going debate" about Middleboro's receptivity to business. "Don't get too carried away," he said. "Word spreads, and it becomes a self-fulfilling prophecy."



GLOBAL STAFF PHOTO / JOHN HUMACRA
Jimmy Steel, an unemployed fisherman, reads the classified advertising in a local newspaper while waiting in a New Bedford temporary labor office on Friday.

THE BOSTON SUNDAY GLOBE • APRIL 21, 1991

Recession's roots

State's manufacturing past helps create fearful, jobless present in New Bedford, Fall River

By Tom Coakley
GLOBE STAFF

NEW BEDFORD — The last time Mariano Tavares was laid off from his defense industry job, in 1971, he was able to find work in a clothing mill until he got called back a year later. But this time he's not as lucky.

Standing in the parking lot of the state Opportunity Job Center, hard by an abandoned warehouse in this former whaling city, Tavares unfolds a list of the 10 companies he visited looking for work. By each company is the legend "not hiring."

Out of work since Feb. 10, Tavares worries about ever getting his job back.

"Who the hell is going to hire anyone at 61 if I don't get called back?" asked Mariano Tavares, whose son, Mariano Tavares Jr., has been laid off by the same company.

The elder Tavares, a factory worker for 27 years, is one of thousands of workers trapped by the most recent economic downturn afflicting New Bedford, Fall River to the west and a number of towns in this southeastern Massachusetts region where roots to the state's manufacturing past run deep.

Those manufacturing roots — dating to the 19th cen-

tury — have long left this region more vulnerable to unemployment than others in the state.

But the current downturn here, 50 miles south of Boston, is one of the worst since the Great Depression, state statistics show.

In February, the last month for which city and town employment statistics are available, New Bedford ranked first in unemployment among Massachusetts cities with an 18.3 percent rate; Fall River was second at 18 percent. The state-wide unemployment rate was 9.9 percent, while the nationwide rate was 7.2 percent.

NEW BEDFORD, Page 44

Worst of the recession hits New Bedford, Fall River

■ NEW BEDFORD

Continued from Page 29

Mirroring a statewide phenomenon, more jobs were lost in the Fall River area in 1990 than in any year since the early 1940s when the state started measuring such activity, according to state Department of Employment and Training economist Frank Cahill.

Job losses in New Bedford in 1990 were exceeded only by those recorded during the 1975 recession, Cahill said.

The February figures come because the traditional winter unemployment - from the fishing, apparel and construction industries - was augmented by joblessness from retail and manufacturing layoffs resulting from a recession that cut across many sectors.

"There's no question that southern Massachusetts has had a long history of not sharing as much in the good times and being hit heavily in bad times," said Nils Nordberg, commissioner of state Department of Employment and Training.

He added that when an area is subject to high unemployment, it's just getting battered from all sides. Stirrings in the real estate market, an upsurge in apparel orders, the expansion of some established companies and the prospect of some new businesses have some economic observers suggesting that the bottom may have been reached.

But no one is expecting a quick turnaround to a trend of unemployment that has been several years in

the making, especially at a time when banks are shying away from even seemingly solid commercial and industrial credit requests.

Neither is anyone predicting a return to the economic boom of late 1987, when jobs went begging in this area, when the unemployment rate was 2.3 percent in the state, 5.3 percent in Fall River and 4.3 percent in New Bedford.

These days in area blue-collar enclaves, families who have shared trades and employers now share unemployment.

The plight of Joseph Bergeron, a union carpenter from Swansea, is eased somewhat by the fact that his home is paid off. But his two sons - members of the same Boston carpenter's local and likewise unemployed - are not as lucky. They have young children and mortgages.

"We can't help them because he's out of work," said Louise Bergeron, Joseph's wife.

Dwindling savings

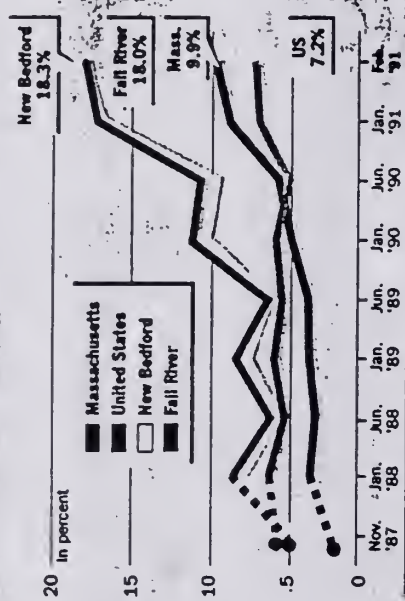
Mariano Tavares Jr. worries that he will lose his health insurance, as well as his vacation and seniority time, and will have to build back his hourly wage if the defense firm that laid him off does not call him back.

His wife, Sherri, is working part time at a K-Mart after being laid off in November from a wire-rack assembling firm.

"I've been to 30, 40 places already and I can't get a job," said Tavares, a 31-year-old father of two. "You can't survive on \$5 an hour."

Unemployment in Fall River and New Bedford

Joblessness reached more than 18 percent in these two southeastern Massachusetts cities, which usually are hit hard by economic bad times in the state.



NOTE: Figures are unadjusted
SOURCE: Department of Employment and Training

GLOBE STAFF CHART

sored seminars on job searches and resume writing.

Hundreds of jobless people have begun the nine to 13 weeks of extended unemployment benefits made available this month by the state and federal governments.

A number of unemployed people have visited Labor Works, a New Bedford temporary labor office where the daily corps of job seekers has doubled in recent months. Jimmy Steel sat reading job ads in the local newspaper at the labor office last week.

"I missed one" fishing "trip and I lost my spot," Steel explained. "Someone else fills right in for you."

Cautious shoppers

The region's businesses are suffering, as the unemployed stay away from shops and stores.

"People are still going to tend to their necessities," said James Mathes, president of the New Bedford Chamber of Commerce. "But beyond that, consumers are holding back on every other expenditure they can. They are being very cautious."

Wayne Borge, 36, of Fall River, was laid off in October from his job as a construction office manager. He spoke of how the job loss has affected his family, which now relies on his wife's income as a nurse and his unemployment check.

"We've had to cut back on a lot of things," he said. "Ordinary purchases - instead of getting a new jacket, you let the old one go on for a few more months."

"Without extended benefits, myself and I think a lot of people here would definitely be in serious financial straits," said Borge, 36, father of two. "It's keeping the wolf away from the door awhile."

Second wage earners still working in a family are a lifeline now.

Joe DaSilva, an unemployed Westport carpenter, is facing the worst drought of work since coming here from Portugal 25 years ago, but his wife, Maria, continues working as a shirt presser in a Fall River plant.

"If it wasn't for her, we'd probably lose the house," he said. Sullivan's work - like that of others working here - has been cut back to three days a week. And DaSilva, like many construction workers in the area, wonders when the severe slowdown in building will pick up.

"It's really bad out there," DaSilva said. "Our president - he worried more about what's going on in Kuwait than about our economy."

Some area officials had hoped that the region - energized by the boom years of the 1980s and a decade of successful industrial development that created thousands of jobs - would not be victimized as much by this recession as in the past.

For them, the numbers have been sobering, a stunning example of how diversification is an arduous road, how economic well-being depends so much on forces outside a city or a town.

"Three or four years ago, no one would have imagined in their worst dreams that we would have been hitting 18 percent unemployment," said Mayor John Bullard of New Bedford. "We have not been conscious of our failure to secure the next generation of jobs."

For his part, however, Borge, the laid-off construction office manager, is making some changes in his own personal economic outlook.

Laid off 10 years ago as a teacher in Fall River and last year in the construction trade, Borge plans to start a course this fall that will lead to a job as a radiology technician.

Area's unemployment rate fourth highest in nation

By Gretchen Fehrenbacher
Standard-Times staff writer

Greater New Bedford's economic woes landed it in fourth place in nationwide unemployment in February, and the jobless rate was still on the rise.

Greater Fall River ranked fifth, according to the U.S. Bureau of Labor Statistics.

The bureau Tuesday confirmed earlier reports from the state Department of Employment and Training that unemployment in the Greater New Bedford labor district rose from 14.6 percent in January to 15.8 percent in February. Greater Fall River's unemployment figures went from 14.6 percent in January to 15.6 percent in February.

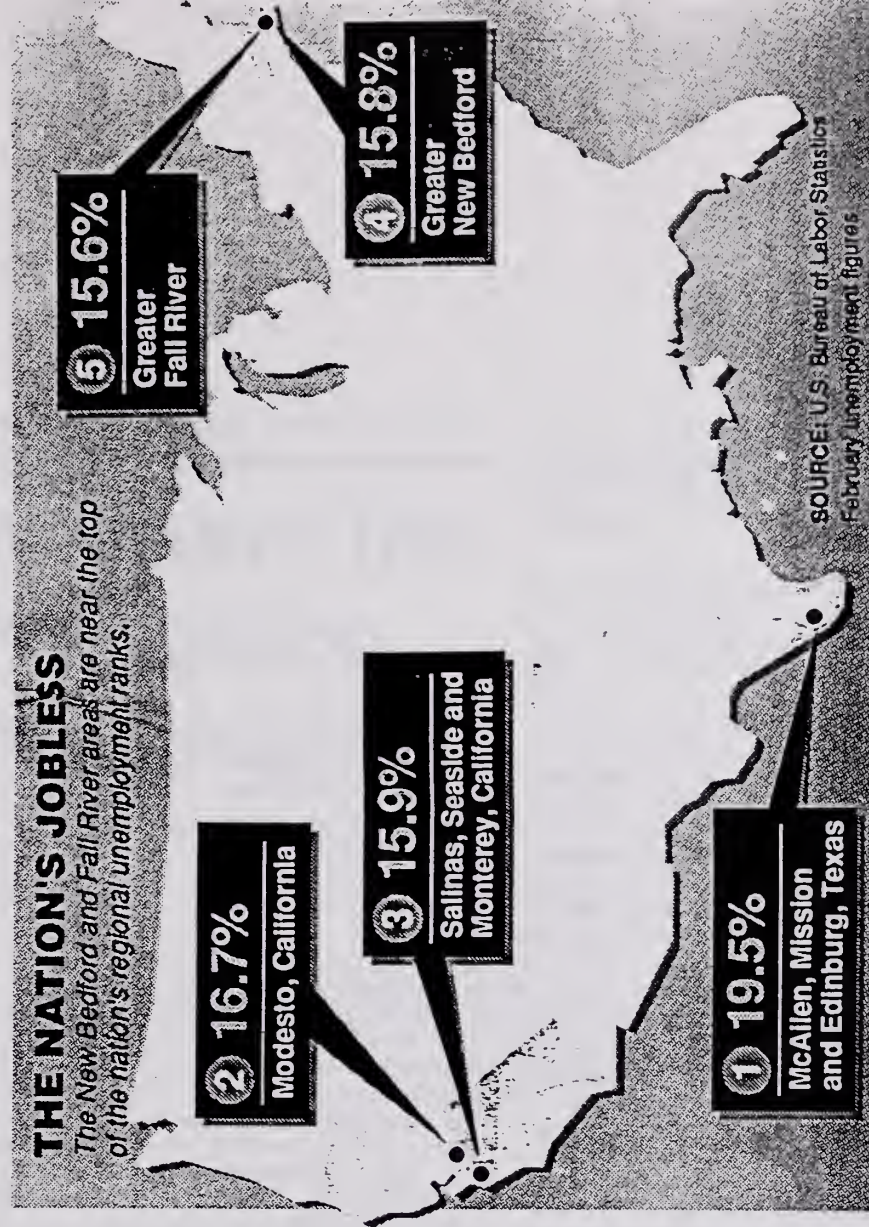
The U.S. Bureau of Labor Statistics' Tuesday figures, reported a month later than the DET's numbers, offer a chance to compare the area's unemployment picture with other labor districts in the country.

The DET figures, which came out April 2, already show that Greater New Bedford unemployment continued to rise in February.

"It probably still will get a little worse before we see it turn around," said Elliot A. Winer, chief of economic research and analysis for the state Department of Employment and Training.

The numbers continue to chronicle an economy languishing in recession, with no signs that conditions will change soon. Statewide, the unemployment rate climbed to 9.9 percent, up from January's 9.0 percent. (The figures are not adjusted for seasonal employment fluctuations.)

"Although we don't see any reason that (unemployment) should (See JOBLESS, Page A6)



Staff / George Palis

NBST 4/18/91

■ Jobless

(Continued from Page 1)

accelerate, there is nothing to say there is going to be a turn-around immediately, either," said Thomas "Tom" Curtis, economist for the federal Bureau of Labor Statistics in Boston.

Despite a steady climb in area joblessness in recent months, the New Bedford/Fall River area's ranking nationwide moved from third place in January to fourth and fifth places respectively in February, when a hard-hit vegetable-growing region in California moved into third place.

But Greater New Bedford's move into fourth place in the ranking offers no consolation. Noting the continued climb in unemployment, Mr. Curtis said the first sign of an

improved economy will be when the numbers level off. He said improvements in the national economy — such as a resumption in housing construction or lower interest rates — would help set the stage for better times in Massachusetts.

Once again, the Bureau of Labor Statistics showed the poor Texas communities of McAllen, Mission and Edinburg topping the unemployment list. February's unemployment in that citrus-growing belt was 19.5 percent. Another citrus-growing region, Modesto, Calif., claimed second place with 16.7 percent unemployment. Third-highest in joblessness was the California vegetable-growing area of Salinas, Seaside and Monterey at 15.9 percent. California suffered severe crop losses this winter after a December freeze.

Few takers for office space across region

Survey: Vacancy rates soaring

By Terence Downing

ENTERPRISE STAFF WRITER

Commercial real estate vacancy rates in the region continue to climb, with Brockton's rate jumping 13 percent during the first quarter of the year, a real estate industry report said.

In its first-quarter trends report, the real estate firm Cushman & Wakefield said Brockton's vacancy rate jumped from 27.8 percent to 41.1 percent. Taunton's is more than 55 percent.

Robert Keaner, spokesman for Cushman and Wakefield, said Brockton's increase was substantial. But he noted that because the city's doesn't have a large inventory of commercial space compared to other large cities, the rate seems magnified when space is freed up.

Cushman & Wakefield said the vacancy rate for the South-Interstate 495 region increased substantially, from 32.3 percent to 40 percent, as only Raynham showed leasing activity in the first three months of the year.

The center of Raynham's commercial action is the Raynham Woods Commerce Center, a 330-acre park at the intersection of Routes 44 and 24. Companies

OFFICES

From Page 1

can buy building sites in the park or they lease space in buildings developed by Paramount Development Associates Inc. of Framingham.

Paramount, a subsidiary of Perini Corp., has developed two buildings for lease, one of 30,000 square feet and another of 50,000. Johnson & Johnson Orthopaedics is headquartered in the park.

Taunton, with an inventory of 173,023 square feet, posted a vacancy rate of 55.2 percent, Raynham 66.7 percent and Mansfield 52.6 percent. Mansfield had an inventory of 197,672 square feet. Norwell, with an inventory of 151,000 square feet, posted a vacancy rate of 66.7 percent and Rockland, with an inventory of 90,500 square feet, had a vacancy rate of 44.3 percent.

The Brockton market got a little good news this month when D. Scott Co. of Holbrook won zoning approval to relocate its headquarters from Holbrook to a 40,000-square-foot building at 700 Oak St.

The Oak Street complex has been vacant for many years and had become the target of vandals. D. Scott boxes shoes and ships them to retailers. About 5,200 square feet of the site will be used as a retail shoe outlet.

The report said the Route 128-

South market, which covers portions of the South Shore, showed an overall increase in vacancy rate of 1.7 percent to 22.9 percent. The report said most activity for the quarter was prompted by lease expirations and resulted in upgrades.

Specifically, Weymouth, Randolph and Quincy had significantly increased rates. Noteworthy leases for the South Shore included Ground Round's move to Braintree Hill Office Park, taking 22,500 square feet, and Commercial Union's lease at Newport Office Park II in Quincy, taking 60,000 square feet.

Although the economy continues to hurt the region's commercial real estate activity, with overall vacancy rates inching up, the Cushman & Wakefield report said the regional market may be poised for recovery.

The report said first quarter rate increases were slower than those posted in the previous two quarters. The report said the slower rate of increase is a signal that the market may have finally hit bottom.

Also, the report said a "new sense of optimism" has followed the end of the Gulf War, and more tenants are starting to look at space for upgrading or expansion.

"These may well be the first steps of recovery for the commercial market," the Trends report stated.

Kerry holds hearing in hopes of ending economic 'freefall'

FRHN

7/3/91

By Marcia Pobzeznik
Herald News Staff Reporter

NORTH DARTMOUTH — U.S. Sen. John Kerry said he wanted "to listen to people who are struggling" so he can find ways to stop the "freefall" of the state's economy and get people back to work.

The senator held a hearing of the Senate Banking, Housing and Urban Affairs Committee at Southeastern Massachusetts University Tuesday to gather testimony from businessmen and bankers from Southeastern Massachusetts — an area of the state that is setting unemployment records.

Businessmen say they need the banks to ease up on lending, and bankers say they need bank regulators to ease up on them before they can begin lending at normal

levels again.

Kerry has introduced a bill to encourage investment in small and high-risk businesses by instituting a lower tax on capital gains "which will reward the risk-taking and create jobs." He is also advocating tax credits on research and development and increasing export capacities.

Although his proposals were warmly received, he was told that some other things need to change first.

"The present banking environment must change," Fall River Mayor Daniel E. Bogan, who is also president of Borden-Remington Co. in the city, told Kerry. "We need to establish a pro-investment climate...The companies," he said, "need help now to be here tomorrow...The entrepreneurial

(Turn to KERRY, Page 6)

Sen. Kerry conducts hearing—

(Continued from Page One)

climate is strong here, but it has to be assisted."

Bogan added, "We've bottomed out as far as the economy goes."

George Duclos, president of Gladding-Hearn Shipbuilding Inc. of Somerset, couldn't agree more.

Known as the "leader in fast ferries," Gladding-Hearn has been in business for nearly 40 years and has millions worth of contracts that will keep its 45-man crew busy for a long time. But Duclos told Kerry he just may have to lay many of them off soon if there isn't a turnaround.

Businesses with long histories and good credit standings aren't able to get financing from banks, he said. Duclos said he has a signed contract with an Ohio-based ferry service company that has been in business for 10 or 15 years, but the company can't get construction financing for the \$3.2 million vessel, even though the company's ferry service business has increased dramatically in recent years. The credit crunch is also the major factor with his other prospects.

"The ones I have now," he said of the contracts, "require confidence and trust" on the part of the banks, but those elements are missing, Duclos said. He said the banks don't take a close enough look at the businesses to see that they really aren't high risk.

"I've never seen it like this, and I've been in business for 40 years," Duclos said. One of his long-time clients, he said, "used to say here's a check, get started, I'll call the bank tomorrow" and get the money.

Elliott G. Carr, chairman of the Massachusetts Bankers Association, told Kerry that there is pressure from regulators that bank loan portfolios be reduced.

"Every banker I know has curtailed lending activities," said Ronald LaStaiti, president of the New Bedford Institute for Savings. Bankers need to feel that they "won't be crucified for anything but an ultra-conservative approach," he said.

Carr said in the first six months of 1990, total loans in Massachusetts banks dropped by an average of 13.9 percent "or about \$20 billion a year...That," he said, "takes \$40 billion out of the total economic activity" of the state. "The problem is, nobody has clearly given any thought to taking \$20 billion out of the Massachusetts economy at once," he said.

The regulatory process, Carr said, "is loaded with language to

scare banks from lending," and Washington, on the other hand "is saying you've got to make risky loans" to get the economy moving.

"In the present environment," LaStaiti said, "success is cleaning out someone who is in any way a risk."

"The small businesses I represent, it's almost impossible for them to get loans," said Mark Montigny, president of the Fall River Area Chamber of Commerce and Industry. And workmen's compensation and health care costs are contributing to the critical economic situation, he said.

Taunton Mayor Richard Johnson has reason to smile.

He told Kerry that a \$135 million shopping mall is under construction in his city. The financing, he said, came from Japan.

And there are new companies in the city — from the United Kingdom.

"I don't know if I should be happy or sad about it," he said of the foreign investment, "but it's producing jobs."

Fall River jobless rate 18%: New Bedford 18.3%

By Carol Lee Costa-Crowell
Herald News Staff Reporter

FALL RIVER — The city's unemployment rate hit 18 percent in February — slightly behind New Bedford's 18.3 percent rate — reflecting the second month of record-breaking statistics and more evidence of a weak economy.

"It's a repeat of last month, we're still making new records," said Frank Cahill, senior labor economist with the state Department of Employment and Training.

Cahill declined to rank Fall River among other cities statewide, pointing out that "if you're unemployed, you're un-

employed. You don't need to be manacled with the thought of having the highest rate in the state."

In January, this city hit a staggering 17.2 percent jobless rate — the highest in the state and one of the highest in the nation. It was also the highest recorded for the city in more than 50 years of record-keeping.

"February's rate continues to show the extent of flux the economy is in," Cahill stressed. "In some ways it (the economy) is behaving the way it should in the short term," he said.

Fall River's rate in February climbed to 18 percent, up from 12.5 percent one year ago. New Bedford's rate was 18.3 percent, up

from 17 percent last month and 12 percent a year ago. Taunton's rate is 14.7 percent, up from 13.4 last month and 9.5 percent last year.

Traditionally, unemployment rates escalate in the winter and drop as spring approaches with the creation of seasonal jobs. It is the high rate of the winter slowdown that has experts troubled.

Cahill also stressed that the Fall River and New Bedford rates often are "artificially high" because of the apparel industry. "Fall River and New Bedford's ... rates are because of the high turnover in the apparel industry," the labor economist said.

"It's bad rating cities. You could have a person out of work in Fall

River collecting four times a year, for short periods of time. It doesn't compare with Detroit that has four people out of work collecting for an entire year. Yet, Fall River's rate could show up higher than Detroit," he said.

Cahill said "it takes time" to recover when the country is in a recession. "Traditionally the rates peak in February. But, if you look at last year they went up in March as well. They very well could go up again for March."

The February rate for the Greater Fall River market area was 15.6 percent, up from 14.6 percent in January and 10.4 percent the year before. The new rate places Greater Fall River fifth in

the state. The Gardner labor market led the state at 16.6 percent, followed by Dukes County-Martha's Vineyard at 15.4 percent, Barnstable-Cape Cod at 15.3 percent, and Greater New Bedford at 15.8 percent.

Cahill was optimistic pointing out that April and May "usually brings out a recovery." It is those months where seasonal business begins to pick up. "In the warmer months people are outside more. They begin shopping again. They start consuming more and business picks up, the economy takes an upswing," he said.

The construction industry had the same number employed locally at 1,200, another good sign, according to Cahill.

"I tend to suffer with the unemployed," Cahill said. "Part of my problem is that I believe Fall River has one of the hardest working forces in the state. We're just in the long-term cycle of a slowdown."

Initial unemployment claims rose from 716 in January to 816 in February, while continued claims went from 4,932 to 5,753.

Area's February figures are worst since 1970s recession

By Robert Lovinger
Standard-Times staff writer

Just as state officials had feared, unemployment in New Bedford and surrounding towns jumped again in February — the seventh straight monthly increase. It marks the area's worst joblessness since at least the recession of the mid-1970s.

Greater New Bedford saw its rate climb to 15.8 percent, up from 14.6 in January and 9.9 in February 1990.

In Middleboro, the rate climbed to 16.6 percent, up from 15 in January and 9.3 percent in February 1990. Wareham's joblessness jumped to 17.1 percent, from 15.3 percent in January and 9.8 in February 1990. The rate in Lakeville rose to 7.1 percent, up from 6.7 in January and 3.7 in February of last year.

The February rate for the city stood at 18.3 percent, up from 17 percent the previous month and 12 percent in February 1990.

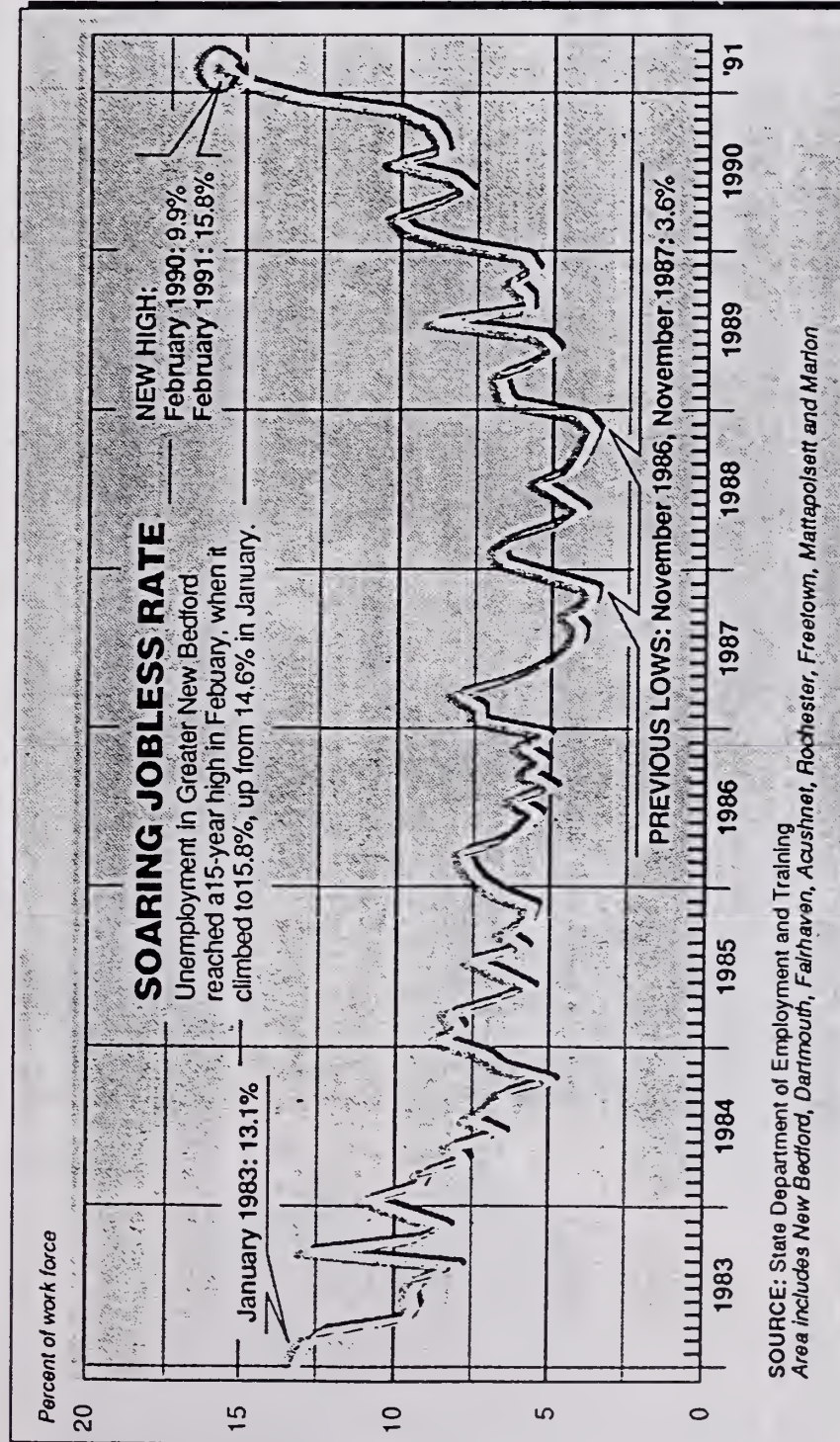
Other area cities and towns also felt the sting of increasing unemployment. In Fall River, unemployment climbed to 18 percent in February, up from 17.2 percent in January and 12.5 percent in February 1990. Greater Fall River saw an increase to 15.8 percent, from 14.6 the month before and 10.4 percent in February 1990.

The rate for the state as a whole suffered a severe rise, from 9 percent in January to 9.9 in February. Nationally, the unemployment rose from 6.2 percent in January to 7.1 in February.

February's biggest surprise was in first-time unemployment compensation claims. In the New Bedford area, they rose to 1,499 in February from 811 in January. Frank Cahill, senior labor economist for the Massachusetts Department of Employment and Training, said he was taken aback by that statistic.

"I was hoping that the first-time claims would start to come down in February. It may not be a good sign for the future."

Mr. Cahill cautioned that it's difficult to compare unemployment rates from different periods. Despite that, he said the Massachusetts economy may be in worse shape today than any time "since the early 1930s." He called the state's overall decline in jobs "the worst ever."



Staff chart by George Paisteas

Tuesday, April 2, 1991
The Standard-Times, New Bedford, MA

Layoffs at GTE rumored

T.D.G.

4/2/91

TAUNTON — GTE officials today refused to comment on reports that the company plans to lay off 400 to 1,000 workers statewide on Wednesday.

Clair Deveney, spokesman at GTE's main offices in Needham, said, "We have issued no public statement to that effect."

When asked if this meant the layoff was not going to happen, she said, "I'm not saying yes. I'm not saying no. As I have already said, I have no information on that matter."

Local GTE officials were just as reserved.

"We're not at liberty to release any information of that nature to the public," said Bob Hetzel, director of human resources at the Taunton plant located in Myles Standish Industrial Park.

Company manager Bernard Resnick was unavailable for comment.

Richard F. Hooben, employment director at the state Department of Employment and Training office in Taunton, said his office communicates with GTE regularly during the course of business.

"We were in touch with them about two months ago, and they said then that there would be a slow up in employment. At that time they notified us of the (impending) layoffs, but they said the Taunton office would be minimally affected."

Hooben said the department has not experienced any influx of applicants from GTE.

NBS
3/2/91

Experts: Port stands atop heap of trouble

No. 1 status built on overfishing

By Natalie White
Standard-Times staff writer

NEW BEDFORD — A dramatic 26 percent increase in fish landings again made New Bedford the top fishing port in New England in 1990, preliminary statistics show.

But industry officials warned that the increase came because the city's fleet spent more time at sea, depleting fish stocks.

According to the Northeast Fisheries Center, New Bedford brought in 113.9 million pounds of fish and shellfish in 1990, compared with 90.4 million pounds the year before, an increase of 25.5 million pounds or 26 percent.

While Gloucester brought in a larger catch, New Bedford's was more valuable.

The overall value of the catch was \$159.9 million, compared with \$141 million in 1989. That is an increase of \$18.9 million, or 13.4 percent.

Nationwide statistics will not be available for a few weeks. Since 1983 — with the exception of 1988, when the port slipped to the No. 2 spot — New Bedford has been the

It's a worrisome thing. We're taking more out of the resource than we should. The numbers are deceiving. We're in a very dangerous situation.

— Howard Nickerson,
Offshore Mariners Association

richest port in the nation, bringing in the most money for its catch.

The title has been a feather in the city's cap, but for 1989 and 1990, industry officials say the top of the heap is not necessarily the best place to be.

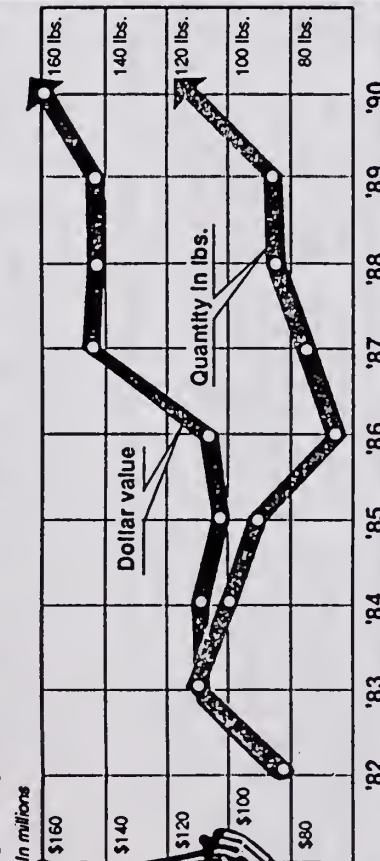
They said the numbers mask a troubled industry that is working for short-term gains and depleting fisheries resources.

(SEE FISHERIES, PAGE A9)

NET INCREASE

Preliminary statistics show New Bedford at the top landing jackfish and highest than ever before in bringing in more money for its catch than any other New England port. But industry officials say the numbers reveal overfishing and spell trouble for the future.

CHARTING NEW BEDFORD'S CATCH



Volume (in millions of pounds)		Value (in millions of dollars)			
	1989	1990			
Gloucester	98.5	125.0	NEW BEDFORD	141.0	159.9
NEW BEDFORD	90.4	113.9	Gloucester	130.0	140.5
Pt. Judith, R.I.	48.3	57.0	Portland, Maine	34.4	31.7
Portland, Maine	49.0	48.9	Pt. Judith, R.I.	23.6	31.6
Rockland, Maine	24.8	36.2	Provincetown/Chatham	12.9	15.5
Provincetown/Chatham	23.7	30.1	Boston	12.8	14.1
Boston	17.3	19.6	Newport, R.I.	11.5	13.6
Newport, R.I.	12.3	15.0	Portland, Maine	7.0	7.3

SOURCE: Northeast Fisheries Center

Staff chart

Fisheries

(Continued from Page 1)

The increase in fish and shellfish landings comes from more time spent fishing, not better stocks of scallops or fish, said Martin S. Manley, a boat owner and director of the city's Harbor Development Office.

"I'm happy that we still hold that title, because of the sense of pride it brings. But those numbers are misleading," he said. "We're eating up the resource. We're fishing more. We're overfishing. We're not conserving, and the longer we keep doing it, the quicker doomsday comes."

Lou Goodreau, a fisheries economist of the New England Fishery Management Council, said New Bedford boats, trying to make up for a decline in prices for scallops and fish, hit the seas with a vengeance.

Some boats are making back-to-back trips; they return to port to drop off their catches and crews and immediately pick up other crews and return to sea. Some boats are making longer trips and cutting short the time dockside.

Mr. Goodreau said the increase in fishing wiped out the scallops on the southeast part of Georges Bank.

"They were fishing on it like crazy," he said. "New Bedford boats, even some from Virginia and New Jersey, wiped it out. By June, there was nothing left there to catch."

Ron L. Schultz of the Northeast Fisheries Center, which compiled the preliminary statistics, said landings of yellowtail flounder increased in 1990 — but that the increase is really a bad sign.

Fishermen in New Bedford hauled in 19 million pounds of yellowtail in 1990, compared to the 1989 low of 8 million pounds. Mr. Schultz said the 1990 catch was up because a generation of yellowtail flounder was fished out.

"That was largely one year-class. We don't see any other year-classes that strong. And that year-class was killed off and won't be around to support the industry for the next few years," Mr. Schultz said. "Most of those yellowtail flounder were very small fish, with some babies that had just grown big enough to catch. If they had been left to grow up, there

would have been substantial catches for the fishing industry for the next few years. Now, they're gone."

Fishermen found themselves throwing overboard as much as 90 percent of the yellowtail they caught in order to get the 10 percent that were of legal size, he said. The fish thrown overboard do not survive.

"It does not bode well in a lot of ways," Mr. Schultz said.

Howard Nickerson of the Offshore Mariners Association said many boats are bringing in smaller fish and smaller scallops than before.

"It's a worrisome thing. We're taking more out of the resource than we should," he said. "The numbers are deceiving. We're in a very dangerous situation. We keep taking smaller and smaller animals. You've got to let them grow into mommas and poppas so you can get the juveniles. We're not doing that."

Observers said that crackdowns in enforcement also may have led to better reporting of landings, which could account for some of the increase.

Mr. Manley said that many in the fleet feel they must fish as much as

possible now since strict conservation measures are on the horizon.

The New England Fishery Management Council is considering several conservation measures, including trip quotas, mandatory layover days between trips and bans on new fishing boats.

In 1990, New Bedford brought in just under 22 million pounds of scallops and about 92 million pounds of groundfish. But the average price on both dropped.

Paul Swain, who keeps statistics for the National Marine Fisheries Service in New Bedford, said the average price for scallops dropped from \$4.13 a pound in 1989 to \$4 a pound in 1990. The average price for finfish dropped from \$.96 a pound in 1989 to \$.78 a pound in 1990.

Mr. Manley said that most boats — although they spent more time fishing — made less or similar income in 1990 than in the year before. But the price of doing business, repairing boats, insurance and other supplies such as oil increased substantially. And that took bigger bites out of people's incomes.

City to pink slip 180 teachers

By DENIS BESSETTE
Gazette Staff Writer

TAUNTON — As many as 180 public school teachers will be receiving layoff notices before April 15, it was decided at a budget meeting between the school committee and school administrators last night.

By law, any teacher who might be laid off must be notified by that

date. The committee asked School Supt. Gerald A. Croteau to try to have a list of teachers who might be laid off prepared in time for its Wednesday meeting.

Croteau said about 100 teachers are likely to lose their jobs. A larger number must be notified, however, because of union regulations that allow qualified teachers with seniority to retain their positions by switching programs and

"bumping" other teachers out of their jobs.

The impending teacher layoffs are only one of a number of drastic actions facing school officials in their attempt to keep school spending at last year's level of \$24.4 million. The superintendent had originally proposed a budget of \$29.5 million for the 1991-92 school year.

Croteau submitted two sets of

budget proposals. The first is based on an assumption that school employee unions go along with Mayor Richard Johnson's proposed freeze on cost-of-living pay hikes for all city workers. Pay "increments" based on years of service or other factors would still be given.

The budget plan starts by transferring the payment of \$1.18 million for supplies from the city to state Equal Education Opportunity

Grant monies. Another \$310,000 in salaries would also be switched over to the EEOG account.

Deep cuts would also take place in equipment purchases and repair new positions, utilities, maintenance and other areas.

Physical education, art and music classes would be totally eliminated in grades K-2. The high school swimming pool would be (BUDGET, Page 5.)

(From Page 1.)

closed, physical education classes for 11th and 12th graders eliminated and two other high school teaching jobs eliminated.

The athletic budget would be cut \$28,500 and transportation costs reduced by \$53,170 through elimination and consolidation of routes.

Croteau said the elimination of physical education, art and music classes would create a void in students' class days, since regular classroom teachers use those periods as break, or as class preparation time. Both of his budget alternatives include funds to hire additional classroom aides, who would conduct a new language arts enrichment program during the open periods.

Croteau's second package includes another \$1,363,575 in cuts to cover the costs of pay raises for school personnel.

Additional elementary-level programs recommended for elimination if unions reject the pay freeze include physical education, art and music for third and fourth graders, the gifted and talented program and three other positions on the elementary level.

At the middle school level, programs which might be totally eliminated include reading, gifted and talented, health, instrumental music and computers. Slated for 50 percent cuts would be health education, art, music and physical education.

At the high school level, six classroom teaching positions, a

health teacher, counselor and \$20,000 for athletics would be cut.

Pole and Martin school assistant principals, staff development time and more staffing reductions would be likely under the second budget reduction package.

Suggestions from committee members included eliminating curriculum supervisors, making cuts in the central administrative office and examining extracurricular programs with an eye to eliminating or reducing those that are under-utilized.

Committeeman Henry Mello, participating in his first budget deliberations, suggested school officials avoid eliminating any programs completely. This prompted Johnson to say that he had restored \$2.75 million to next year's school budget by exempting the school department from a 10 percent spending reduction being imposed on other city departments.

The mayor noted that another \$6 million must be cut from the fiscal '92 city budget and that the city council could end up reducing the school budget by \$1.5 million.

"Not only the council and school committee, but a lot of people are involved in this," said Johnson. He hinted that his proposed fiscal '92 city budget will contain "a lot of fees."

The committee declined to enact any specific cuts last night but asked Croteau to come back with more information at its regular meeting next week.

Region's economy still gets hot reviews

By Jennifer Edwards

ENTERPRISE STAFF WRITER

BRIDGEWATER — Even with soaring unemployment rates and the flight of major companies from Massachusetts, several financial forecasters believe that the southeastern sector of the state is actually a diamond in the rough.

On Saturday, the Southeastern Regional Planning and Economic Development District, BayBank South, Old Colony Planning Council and Bridgewater State College sponsored a workshop on the changing roles and responsibilities of government, business and citizens.

The forecasters concluded that even though the state is in recession, southeastern Massachusetts is in a far brighter position because of a still growing population and availability of land for industrial expansion.

Francis Cahill, senior labor market economist for the state Department of Employment and Training, said that there was more growth in the southeast region than in the state as a whole. "The year 1990 is not the end of the (region's) population growth."

One of the factors that mitigated exceptionally high unemployment in the region was the transition over the years of an agricultural-based economy to an economy rapidly becoming high-tech.

"We have to get the word out that southeastern Massachusetts is the fastest growing region in the state, and we can prove it. We have the numbers," Cahill said.

"It's the climate that we set that often influences a location (of a business) decision," said Jeanne Van Orman, president

REGION

From Page 1

of Van Orman & Associates, whose company specializes in municipal and regional planning.

Van Orman said the trend toward restructuring local land use regulations could become a catalyst for economic development.

She said there were three major improvements that could be made at the local level to encourage economic development.

By improving the local permit process to foster (land) development, allowing the improved process to pay for itself through the use of municipal review fees, and sharing of ideas among communities, economic development could become more prosperous, Van Orman said.

She said that under the current policies, land use regulation boards are easily affected by trends and are constrained by statutes.

"Specifically we can improve the permit process and (design) it to pay for itself so we're not tapping into general funds."

Van Orman said tourism in the southeastern region was another prime area for economic development.

"I know that there are some plans for development found close to home, (but) in order for tourism to come, there has to be a 'there' for them to come to.

"These trends can be capitalized on," she said.

Chris Maietta, a project manager with Paramount Development Associates Inc. of Framingham said his company has built several office parks, including the 330-acre Raynham Woods Commerce Center.

Maietta said that although the real estate industry plays a large role in economic development, it's only part of the process. Real estate development, economic development and the government are the main components.

He added that because the three components must overlap at some point, economic development is seriously hindered by the lack of any one component.

"Economic development and real estate development are not the same thing, but go hand in hand. If you're making more of a product, you need more space to make it in. Economic development begets a need for real estate development."

He added that small companies are really the backbone of economic development and that in many cases, technological automation will continue to replace human labor. Communities must be aware of the amount of labor areas, skills, transportation, housing and utilities they can provide an employer.

"Companies are circling like birds and they are going to land," Maietta said.

Robert Smith, president of the Old Colony Planning Council in Brockton said the conference was enlightening.

"It started to bring to light that businesses, industry and developers, and more important, selectmen and town boards can work together to further the future economic growth ... In southeastern Massachusetts we've done a lot to sell (land for development). We need to get on with the positive statements as opposed to dwelling on the negative."

Jayne Dias, vice chairman of SRPEDD said, "I think that one of the important things discussed was the regionality of everything. From permits to land use. (We should) look to regional buying of salt for streets, to personal computer's to toilet paper. The fact is that everybody is practically in the same boat."

New England first in, last out of recession

By JOHN DIAMOND
Associated Press Writer

WASHINGTON (AP) — The rest of the nation will be on the road to economic recovery while New England is still in the depths of recession, according to a panel of economists.

"The first region into a recession is usually the last one out," said Matt Kane, staff economist for the Northeast-Midwest Institute, a Washington-based organization that tracks regional issues for Congress.

"I think it's somewhat grim for New England in the short term."

In a separate news conference on a variety of subjects, Sen. Christopher Dodd, D-Conn., said a major part of the problem stems from a recession mood in the region.

"Psychologically, I'm worried about where we are," Dodd said. The solution, he said, is for New England to return to its manufacturing roots.

"A while ago we stopped making things and started suing one another and selling real estate and

that became the industry," Dodd said. "When we get back to making things again and supporting manufacturing and that historic industrial base and the talents that are there in this state, then I think we'll get back on track again."

Experts in the economies of the Mid-Atlantic and Midwest regions, said, by contrast, the recessions there are likely to be milder and shorter-lived than the slowdown in New England.

(ECONOMY, Page 2.)

"The first region into a recession is usually the last one out. I think it's somewhat grim for New England in the short term."

— MATT KANE
— Economist

Economy: NE last out of recession

(From Page 1.)

The Midwest, according to David Allardice, vice president of the Federal Reserve Bank of Chicago, did not experience the 1980s boom to the same degree as the Northeast and as a result won't suffer so great a downturn.

The Mid-Atlantic is probably already at the bottom of its recession, according to Richard Stein, economist for the CoreStates Financial Corp. of Philadelphia.

But in New England, Kane said, factors beyond the region's control

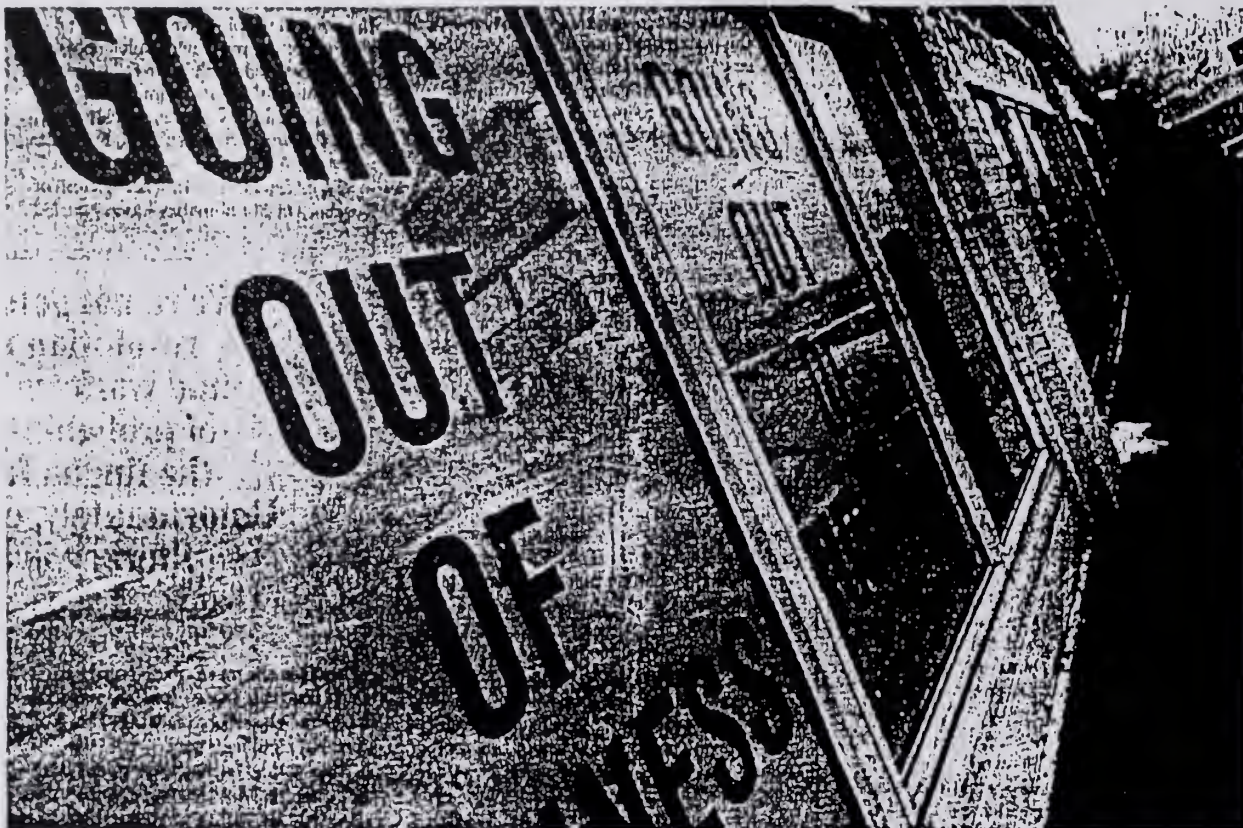
will prolong the slowdown. Defense spending is likely to continue to decline through the next several years, and since Massachusetts, Rhode Island and Connecticut depend on defense spending, the region will suffer disproportionately from those cuts.

Overbuilding in the real estate market has left a real estate surplus that will take years to work down, Kane said. Between December 1989 and December 1990, New England's construction industry lost 56,000 jobs — more than 25

percent of the construction jobs lost nationally, even though the region accounts for less than 6 percent of all jobs.

New England's largest trading partners, in order, are Canada, Britain, Germany and Japan. Canada and Britain are in a recession, Kane said, and the economies of Germany and Japan are slumping.

As for the key component of the region's economy, the computer industry, "I don't see anything there right now in New England," Kane said.



GLOBE PHOTO / PAM BERRY

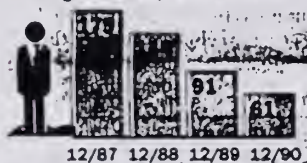
The basic problem is simple: The forces dragging the state's economy down are still stronger than the forces trying to lift it.

Free fall

The numbers behind
Massachusetts' slump

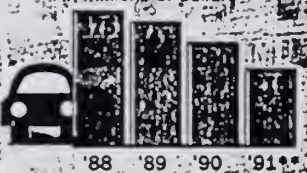
Fewer new jobs mean...

New England's help wanted index*

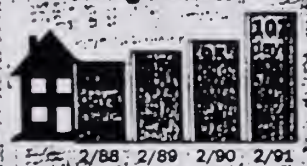


...fewer car sales...

Sales tax collections for cars
in millions of dollars



...and a tough time selling a home.



* A measure of help-wanted ads in major newspapers. 100 equals 1987.
** Estimate.

SOURCES: The Conference Board, New York; Mass. Dept. of Revenue and Multiple Listing Service; Greater Boston Real Estate Board, Boston.

GLOBE STAFF CHART / NEIL C. PINCHIN

RECESSION WATCH

No relief for the Bay State

By Charles Stein
GLOBE STAFF

At the Boston Five Cents Savings Bank, the mortgage business is showing signs of emerging from hibernation.

Mortgage applications, which averaged about \$15 million-\$20 million in value a week throughout the winter, have more than doubled in recent weeks. Even some of the real estate the bank acquired through foreclosures is starting to sell, says executive vice president, Christopher Dunn.

At Teradyne Inc., a Boston company that has struggled along with the rest of the high-technology business, orders in the most recent quarter came in at a record level, thanks to a general improvement in the computer industry. Around the area, other high-tech firms are reporting their first profitable quarters in more than a year.

Like the first robins in spring, these bits of good news may be harbingers for the Massachusetts economy. Along with a few others — an up-

tick in consumer confidence and extra traffic in the department stores — they suggest that a bottom will be reached sometime. With interest rates down to reasonable levels and the Gulf War over, there is growing feeling that the US economy will snap out of recession by the middle of the year. Can Massachusetts be far behind?

The answer from most analysts is: unfortunately, yes. While conceding that there are some tangible signs of progress, virtually all forecasters are sticking with the prediction that the economy here will be in retreat until late in the year. The jobless rate, 9.3 percent in February, will almost certainly top 10 percent before it backs down.

"I think the best thing you can say is that the rate of decline will slow this year," says Frederick Breimyer, president of the New England Economic Project. DRI/McGraw-Hill, the Lexington forecaster, estimates Massachusetts will lose only half as many jobs this year as it did in 1990.

ECONOMY, Page 85

No recession relief for the Bay State

■ ECONOMY

Continued from page 71

The basic problem is simple: The forces dragging the Massachusetts economy down are still stronger than the forces trying to lift it. The downsizing that must precede any rebound has not run its course in a number of key industries, including defense, banking, government and possibly even high technology. "We have more room to fall," says Nicholas Perna, chief economist at Shawmut Bank.

The prospect of another six to nine months of sliding is depressing, especially when one considers how far Massachusetts has tumbled already. Consider:

- Between December 1988 and December 1990, the state lost 233,000 jobs, or 7.3 percent of its employment. At the end of 1990 Massachusetts had no more jobs than it did at the end of 1985.

- From 1987 to the fall of 1990 consumer confidence in New England, as measured by an index created by the Conference Board in New York, fell to 30 from 160. In January it inched back to 36. A separate index, which charts the level of help-wanted ads in New England newspapers, fell to 61 at the end of last year from 175 at the end of 1987. That index has yet to turn up.

- In fiscal year 1988 the state collected \$375 million from its sales tax on cars. In the current year, which ends in June, the state estimates it will collect only \$215 million, even though the price of cars has climbed steadily. In February 1987 there were 3,286 homes listed for sale by the Multiple Listing Service of the Greater Boston Real Estate Board; this February there were 8,155.

Simple fairness would say that Massachusetts has suffered enough and that the downturn should end. But economics, like life, does not work that way. A look at some critical sectors of the local economy reveals just how far Massachusetts may have to go before touching bottom.

- **High Technology.** Teradyne is hoping to break even in the current quarter, says vice president Frederick Van Veen. That is hardly a spectacular performance, but compared with a 1990 loss of \$21 million it is a big step forward. The same could be said for many companies along Route 128: The numbers don't look great, but the trend line is moving in the right direction.

The minicomputer firms - Digital Equipment Corp., Prime Computer Inc. and Data General Corp. - all did better in the last quarter of 1990 than analysts had expected. Equipment makers, such as Teradyne, LTX Corp. and Analog Devices Inc., are also enjoying better business.

But executives caution that increased sales will not lead to greater employment. If anything, job losses, which have totaled more than 35,000 since 1987, will continue for a time.

Competition in the industry remains fierce. "And the companies just have to make more money," says Van Veen. "That has to be addressed first."

- **Defense.** Raytheon Co. is still basking in the glow of the wonderful publicity its Patriot missile received in the Gulf War. A host of foreign customers are said to be lining up to



GLOBE PHOTO / PAM BERRY

Marlon Haddad, for 29 years a State House receptionist, waits to collect unemployment.

buy the antimissile system. Yet since Jan. 1 the Lexington defense contractor has eliminated 800 jobs. How come? Because defense spending is shrinking.

"We are looking ahead to a number of years of sustained declines in defense," says George Brown, a defense specialist at DRI/McGraw-Hill.

Brown projects that in real terms, military spending will fall at 3 to 4 percent for the next five years. He thinks Massachusetts, with strengths in missiles and communications, should do better than the national average. Still, the national trend is too tough to buck. "The industry here will keep shrinking," says Brown.

- **Financial Services.** In a recent speech to the region's governors, Bank of Boston president Ira Stepanian said the weakness in New England's banking industry is the result of "having too many banks and branches competing for too few customers at too high a cost with too little efficiency."

Stepanian was making the argument to support his bank's bid to buy the failed Bank of New England Corp. Economists use similar words to explain why the banking industry and banking employment will keep contracting. "Job losses are part of the medicine banking needs to get healthy," says Breimyer.

The outlook is somewhat brighter in the mutual fund business, given the stronger stock market. The insurance industry is more stable than banking, but it, too, is under pressure to become more efficient. John Hancock Financial Services says it will lay off several hundred employees by May 1.

- **Government.** Gov. Weld has made his intentions clear: He wants to balance the state budget with cuts, not borrowing or higher taxes.

His 1992 budget calls for the elimination of another 7,000 state jobs. His proposed cuts in local aid will almost certainly lead to additional job losses in cities and towns.

Eventually a balanced state budget and the end of fiscal gridlock should be a plus for the local economy, say analysts. In the short run, the principal effect of the cuts will be more economic pain.

- **Construction.** The uptick in home sales is certainly good news. It should firm up prices, which in turn, should make consumers feel a good deal more secure. It will not, however, translate into more construction or construction jobs anytime soon. Housing starts, which peaked at 45,000 in 1986, fell to 15,000 last year and are expected to be no higher in 1991.

On the commercial side, new production has slowed sharply in re-

sponse to soaring vacancy rates. In January there were only 76,000 construction workers on the job in Massachusetts, down from 128,000 in January 1988. If several public projects, including the Central Artery reconstruction, get under way this year, employment could stabilize, according to DRI.

Despite all this, economists insist things will get better. The combined effect of a national rebound, low oil prices, a better consumer mood and continued growth in emerging industries like biotechnology and software will put a floor under the Massachusetts economy, perhaps by the fall.

A floor is a far cry from the heady growth the state got used to in the 1980s, but by the standards of the past two years it will look like a welcome, almost comfortable place to be.

Unemployment rates lead economic issues

450,000 added to nation's ranks of unemployed

By KAREN BALL
AP Labor Writer

WASHINGTON (AP) — The nation's unemployment rate surged to 6.5 percent in February, its highest rate in four years, as about 450,000 Americans were added to jobless rolls, the government reported today.

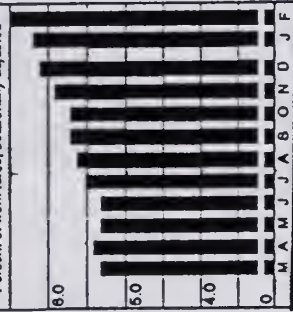
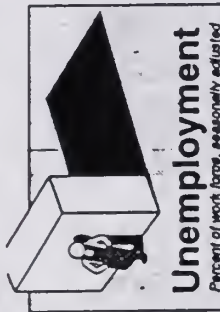
The 0.3 percentage point rise in the civilian jobless rate, up from January's rate of 6.2 percent, was the largest one-month increase since 1986, the Labor Department said.

America's unemployment rate has now climbed steadily since last June, when it was holding at a relatively low rate of 5.3 percent.

During that eight-month period, about 1.6 million Americans have been added to the ranks of the unemployed. In February alone, about 450,000 people lost their jobs and joined the unemployment line, the government said.

Payrolls fell by 185,000 in February, for the eighth consecutive month of job declines. The job loss number can differ from the number of newly unemployed because the two figures are derived from different surveys.

It has been the worst stretch of layoffs since the 1981-82 recession. The overall 185,000-job loss in February from non-farm payrolls was far worse than the 100,000-decline most analysts had expected.



The bulk of the job losses came in manufacturing, where there has been a steady erosion for the past two years.

In February, factory payrolls fell by 127,000, bringing the total job loss in that sector to more than 1 million since January 1989, the Labor Department said.

But the job losses were widespread, hitting service industries as well.

Washington policy-makers are hoping the end of the Persian Gulf War fuels a rebound in consumer confidence that helps turn the economy around. But private analysts say even if that does occur, businesses won't start rehiring workers until a recovery is well under way.

Unemployment in state pushing 10%

By EVE EPSTEIN
Associated Press Writer

BOSTON (AP) — The state's unemployment rate continued its climb upward, shooting to 9.3 percent last month up from 8.6 percent in January, the government reported today.

That surpassed the national rate, which went to 6.5 percent in February. In Massachusetts 289,000 people were out of work in February, for the state's highest unemployment rate since July of 1982.

Department of Employment and Training Commissioner Nils Nordberg said people are losing jobs in most sectors of the economy.

"It's across the board. The only sector that's showing any reasonable strength is health care services," Nordberg said.

There were 21,000 more people looking for work in February than in January, and 123,000 more people out of work than at the same time last year, when the unemployment rate was 5.2 percent.

"It's certainly a confirmation that it's a very difficult economy out there," Nordberg said.

People generally have a harder time finding work at this time of year, he added. "Historically the late winter is the most difficult time of the year, and certainly we have a very difficult situation nationally," Nordberg said.



Source: U.S. Dept. of Labor

Massachusetts had the second highest unemployment rate among 11 large industrial states, behind Michigan, which had an unemployment rate of 9.8 percent. North Carolina had the lowest unemployment rate in that group, at 5.3 percent.

The unemployment figures in Massachusetts may reflect a lingering crunch that has prevented businesses from expanding and hiring more people, economists said. James Howell, a regional economist, said sales for a number of New England firms are strong, but the companies cannot borrow money.

"Everywhere I go, you hear anecdotal evidence about how difficult it is to get credit," Howell said.

Legislature repeals new tax on service

By DANIEL BEEGAN
Associated Press Writer

BOSTON (AP) — The Legislature today repealed the sales tax on business services two days after it took effect. Gov. William F. Weld said the action would save thousands of jobs by helping Massachusetts' businesses.

The repeal, Weld's first major legislative victory, came after three days of legislative wrangling. But Weld hung tough and the top Democrats gave in late Thursday, scrapping a last-ditch plan to box in the governor by tying a weakening of the state's property tax limit law to the repeal.

That plan was blocked when many Senate Democrats refused to go along with it.

The House endorsed the repeal on a 101-48 vote after first rejecting a plan to keep the portions of the tax that would have hit legal, accounting, engineering and architectural fees of \$20,000 or more a year from corporations. That plan lost 79-71.

In addition to the professional services, the tax hit nearly 600 business services and some services for individuals, such as health club memberships and tickets to sporting and cultural events costing \$30 or more.

The repeal of the tax cost the state about \$164 million a year in revenue. Keeping just the tax on the four professional services would have raised \$45 million a year.

But Weld said the money would have been offset by loss of jobs and by an image of Massachusetts as "land-business." The governor aligned the repeal at about 2 a.m.

Today on the 11th floor of the state capitol, Weld said he was exploring "all the options" in a process that will include a "loss" of jobs in Massachusetts, the "loss" of 140,000 jobs last year, 250,000 over the last two years.

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TDG 3/8/91

Com/Electric rate proposal shocks firms into battle

By Bill Bode
Standard-Times staff writer
NEW BEDFORD — They're mad and they're not going to take it anymore.
Fifteen of the area's largest industries have formed SORE — Save Our Regional Economy — to fight skyrocketing electric rates.

"Industry has never banded together like this," said James Mathes, director of the New Bedford Area Chamber of Commerce. "They are sounding the alarm."

That alarm was triggered by Commonwealth Electric Co.'s request for a \$20 million rate hike — a request that comes in the midst of a recession that threatens the region's dwindling industrial base.

Com/Electric supplies power to 308,000 customers in Southeastern Massachusetts, Cape Cod and Martha's Vineyard.

In the last two years, rates increased more than 70 percent for major employers like Aerovox and the Acushnet Co.

"We have lost more than 3,000 jobs in the last two years and unemployment is at 13 percent," said Mr. Mathes. (See ELECTRIC, Page A1)

SOARING ELECTRIC rates are costing the area jobs and new business, employers say / Page B1

Electric

(Continued from Page 1)
Mathes "If something isn't done, we will lose thousands more jobs and turn this corner of Massachusetts into an economic wasteland."

The million-dollar question is what can be done to control soaring electric rates.

SORE members say they have at least part of the answer — cut utility profits, make residents pay for the full cost of service, reduce the cost of conservation and improve management.

SORE wants Com/Electric to drop its entire rate request but realizes that isn't likely. So when rate hearings begin in Boston March 11, the group plans to argue against several elements of the \$20 million request.

Tops on their list is \$2 million to boost the utility's profits and raise dividends for shareholders.

Stockholder dividends at the utility already have increased 60 percent since 1984, businesses say. During that same period, rates to customers nearly doubled, making the utility's industrial rates third highest in the nation.

"Obviously they are much kinder to their shareholders than they are to their ratepayers," said Randy Faria, president of Dartmouth Finishing.

SORE also wants the company to change its rate structure so that businesses no longer subsidize residential rates. They say lost jobs will hurt residential customers more than the slight increase in their rates.

(Com/Electric made) horrible decisions. They are fully dependent on oil, they own a significant chunk of Seabrook... You don't have to be a business major to know they must be a poorly managed company.

— Randy Faria

said Mr. Faria. "They are fully dependent on oil, they own a significant chunk of Seabrook and they have made no effort to diversify their resources. The other utilities in this area have significantly lower rates. You don't have to be a business major to know they must be a poorly managed company."

Utility officials reject the charges. According to Mr. O'Malley, the decision to power the Cape Cod Canal plant in Sandwich with oil was sound back in the mid-1960s, when oil prices were extremely low and supplies were plentiful.

denial rates. They say lost jobs will hurt residential customers more than the slight increase in their rates.

The cost of conservation could be controlled by spreading collections over a longer period of time and charging those who take advantage of the program directly.

Right now the improvements are provided free and then charged to all electric customers through an additional cent on the power charge.

For large companies like the Maritime Terminal, every cent added to the electric rates adds \$100,000 to the annual bill. Company president Robert Hampson says that isn't fair to companies like his own that have already spent their own money on conservation.

"I have a hard time spending \$100,000 on something we get no direct benefit from," he said.

Com/Electric spokesman Michael O'Malley said the company is willing to consider the proposals.

SORE members give the utility's new president, Harold Scherer, high marks for his willingness to discuss possible solutions.

But the utility is less willing listen to charges that high electric rates are the result of longstanding mismanagement.

"They make horrible decisions,"

He also defends the utility's decision to invest in Seabrook — a decision that locks Com/Electric into buying power at six times what it costs to produce the electricity at the cape plant.

"That power plant (Seabrook) became a political football and there was no way for anyone to know that," said Mr. O'Malley. "It was ready to come on line but sat idle for four years. The former attorney general held it up in litigation until the owner went bankrupt and that cost ratepayers of Massachusetts an enormous amount."

SORE maintains that Seabrook isn't the only poor contract signed by Com/Electric. Long-term contracts lock the company into selling two-thirds of the low-cost power produced at the canal plant, according to Mr. Hampson of the Maritime Terminal.

He said nearby utilities buy the power and sell it to their customers at 8 cents a kilowatt hour. The utilities also sell more expensive power back Com/Electric, which is sold to New Bedford area customers at more than 10 cents a kilowatt hour.

"We have a very efficient plant in our own back yard and we can only get a fraction of the power it produces," he said. "We're going cold because we're selling heat to our neighbors. I've got a problem with that."

The long-term contracts were necessary to help finance construction of the canal plant, according to Mr. O'Malley. Such arrangements are typical of utilities throughout the northeast, he said.

Com/Electric has also been criticized for spending \$20 million on a court case against the Pilgrim nuclear power plant, which was shut down for years.

The case netted \$11 million in rebates for customers, but the utility has asked the DPU for permission to charge ratepayers for the remaining \$8 million. That charge would be spread over the next 25 years.

Mr. Hampson said the court case is a prime example of poor decision-making.

Mr. O'Malley said the \$20 million was money well spent since the court battle produced more than \$90 million in savings for Com/Electric customers.

That includes rebates, money for conservation, legal fees, an exemption from operation charges and a new contract with Pilgrim that will save customers \$63 million over the next 25 years.

No matter how well the utility defends individual decisions, SORE says it is impossible to deflect charges of mismanagement when it has the third highest industrial rates in the nation — topped only by utilities in Hawaii and one on Long Island.

And the rates also are significantly higher than utilities in surrounding cities — nearly 30 percent higher than Fall River and 50 percent higher than Taunton.

"This isn't Kansas or Iowa we're talking about," said Mr. Faria. "These towns are less than 10 miles away."

According to SORE, the core of Com/Electric's problem is it has no incentive to become more efficient. It simply pass off its growing costs on customers.

The solution, according to Mr. Faria, is for the DPU to force the utility to pass on some of its soaring costs to shareholders.

"If management makes bad decisions, the shareholders should pay, not the customers," he said. "If the shareholders pay, they'll demand better management. Only by forcing a lower return to the shareholders are you going to force real restructuring of this company."

If rising electric rates are not brought under control, jobs will continue to disappear from the area, according to Mr. Mathes. This will force Com/Electric to raise its rates even higher to fill the revenue gap created by the lost customers. And that, in turn, will force more companies out of business.

"We are in a dangerous downward spiral," he said. "If we lose more employers, rates will have to go up even more. It's a vicious circle."

Electric rates short-circuiting economy, foes say

By Bill Ibell
Standard-Times staff writer

NEW BEDFORD — The industries fighting Commonwealth Electric Co. have plenty of chilling tales to tell about the impact of soaring electric rates on the local economy.

At Dartmouth Finishing on Cove Street, owner Randy Faria rented a five-story factory last fall with plans to create 20 new jobs.

But he scuttled those plans when electric bills shot up 30 percent in October.

"I had the business for it, but with the electric rates, I couldn't afford it," he said.

"So I had to turn down the business. I had plans to hire 100 people over the next two years."

Mr. Faria said his rates went up 50 percent last year and his bill doubled because of an earlier expansion.

He said a \$20 million rate hike proposed by Commonwealth Electric Co. for this summer could force stockholders to move the textile company out of New Bedford.

"I'm a local guy and want to stay but these guys will just move us out if it keeps on like this," he said.

"This company could be 40 percent more profitable in Mobile, Alabama. Forget about the Tiwanese, we can barely compete with North Carolina."

Mr. Faria, a member of SORE — Save Our Regional Economy — is not alone.

At Borg-Warner Automotive Inc., the proposed rate increase could kill the company's chance to win a new contract for marine backhoes that would create 100 jobs.

The rate increase would add \$40 to the cost of every marine transmission his company produces, according to Roland Martel.

"We are competing with Japan and we start with a distinct disadvantage because of these electric rates," he said.

High electric rates already cost the city hundreds of jobs this fall when a Taunton plastic bag manufacturer decided not to move to New Bedford.

The company found a perfect building with plenty of space, high ceilings and a railroad spur. Company officers were impressed by the city's first-rate workforce, but they dropped their plans to move when they learned of the high cost of electricity.

Sonoco Products, a Wareham plastic-bag maker, closed in December, in part because of soaring electric bills.

Philip Cox of Aerovox Inc. said his company probably would have scrapped its expansion plans if he had known electric rates would rise so rapidly.

Last year, the company, which makes capacitors, created 135 new jobs in New Bedford when it moved an operation from Tennessee.

"We wouldn't make that same decision today," he said.

Mr. Cox said the company's electric rates have increased 75 percent since 1988, bringing the company's bill to \$1.5 million a year.

At the Acushnet Co., which makes Titleist golf balls and other products, electric bills increased 78 percent in the last 18 months, according to Jack Bailey.

The increase has threatened key contracts with the Ford Motor Co., he said.

"How can we remain competitive when our basic energy costs are out of control?" he asked.

"The threat before us has consumed a number of local employers and we fear that if something isn't done, more jobs are in jeopardy."

Some of those jobs could be city employees, according to Ken Blanchard of the economic development office.

He said city electric bills increased \$130,000 last year — the equivalent of five teachers or an equal number of police officers.

This has got to stop, according to SORE.

"The issue is one of economic survival," said Robert Hampson, president of the Maritime Terminal, a waterfront warehousing company.

"I've got friends in California in the cold storage business who pay 2½ cents a kilowatt hour. We pay more than 10 cents for the same power."

Mr. Hampson said his company already has completed an ambitious conservation program and trimmed the cost of production. The only thing left to cut is jobs.

The same refrain is heard from companies throughout the New Bedford area.

"Either this area's economy is going to rebound in the next six months or we are going to shed jobs like you've never seen before," said Mr. Faria of Dartmouth Finishing. "It will make the 1940s and 1950s pale in comparison."

Public hearing slated on proposed rate hike

FREETOWN — Commonwealth Electric Co. has scheduled a public hearing Thursday night on the utility's proposed \$20 million rate hike.

The new rates would increase bills by as much as \$10 a month for non-heating customers and \$29 a month for heating customers, according to the company.

According to the company, the bulk of the rate increase would be used to pay for improvements in transmission lines and facilities needed to deal with the region's sharp rise in population during the 1980s.

About \$2 million of the increase would be used to increase company profits, and \$371,000 a year would be used to pay for a suit against the owners of the Pilgrim nuclear power plant. The suit will be paid off at the same rate for the next 22 years for a total cost to customers of \$8 million.

The company has also asked state regulators to broaden qualification for low-income rates.

The state Department of Public Utilities will hold hearings in Boston later this month to decide whether to grant the rate request. If approved, the new rates would take effect in July. Thursday's hearing will be held at 7:30 p.m. at the Freetown Elementary School on Bullock Road.

NEST 3/6/91

Jobless rate staggering

Fall River unemployment hits 17.2%, highest since record-keeping began

By Carol Lee Costa-Crowell
and Sean Flynn
Herald News Staff Reporters

FALL RIVER — The city's unemployment rate hit a staggering 17.2 percent in January, the highest in the state and the highest here in more than 50 years of record-keeping.

The rate was boosted when 1,900 more people were thrown out of work last month, according to

Frank Cahill, senior labor economist with the state Department of Employment and Training. During the past year, 2,700 jobs have been lost in this area.

The state's unadjusted January rate came in at 9 percent. Cahill said that equates to 125,000 jobs lost during the year — another record breaking statistic.

New Bedford's rate was 17 percent and Taunton, 13.4 percent. Cahill said February figures may climb even higher.

He said Fall River's rate is the highest since state records were compiled in 1940 and well above

See editorial Page 4

the previous high of 13.8 percent in 1975. "That year (1975) was the most serious recession since the 1930s. This current rate doesn't bode well. It's devastating," Cahill said.

Civic and business leaders reacted quickly today to the city's bad news. Mayor Daniel E. Bogan warned that "this is not the time to panic."

"Realistically, we are going through very hard times, but we will get through it," said Bogan. "I think we have bottomed out."

Bogan said retail spending reached new lows in January which, in turn, hit retail employment. "With the end of the Gulf War, I think consumer confidence is

beginning to return," he said. "This is not the time for the city to go into a room and close the door," Bogan said. "It's time to get together and work at overcoming this period. We've been through this in the past, and we will get through it again."

Besides being mayor, Bogan is also president of the Borden Remington company and manager of the Tillotson complex that employs

(See JOBLESS, Page 8)

City jobless rate staggering—

(Continued from Page One)

president of the Fall River Office of Economic Development. "It's extremely serious, no doubt about it."

But Vigeant pointed out that the recession has particularly hit the Northeast, with unemployment rates climbing overall. This city's higher rates have been caused by specific characteristics of the job market, he added.

"The local rate is always affected by layoffs in the apparel industry, which has been hurting," he said. "The shops are putting out the spring lines around Christmas. But based on what we heard about Christmas sales, I'm sure retailers were cautious about ordering for the spring."

Apparel shops have been closing down, or laying off workers, as the recession expands.

Vigeant also noted that of the 1,900 jobs lost in the city in January, according to the state information, about 800 jobs were lost in the retail sector.

"That's almost half of the lost jobs," he said.

With a bad real estate market, "we already had a decimated rate in the construction industry," added Vigeant. "Still, another 300 jobs were lost in that sector — nobody is building in January."

Vigeant said FROED would "continue to work with local companies to keep jobs here, offering low-interest loans and providing other assistance."

"It's shocking," said Brad Durfee, vice president of the Fall River Area of Commerce and Industry, which has more than 1,500 members.

Durfee also said January figures reflect a very bad season for retailers in the Christmas season.

"According to the economists, we just have to weather this through, with the national economy expected to pick up in the third quarter," he said. "The predictions are that the Northeast will then come out of this in the fourth quarter."

In January, Greater Fall River tied with Greater New Bedford and Greater Athol for a 14.6 percent regional rate and placed second in the state when regional unemployment statistics are analyzed. First place was a three-way tie of 15.1 percent recorded for the Gardner, Cape Cod and Martha's Vineyard regional area.

Fall River's December rate was 12.6 percent the highest since March, 1983. It jumped from November's rate of 11.3 and 8.6 percent recorded in December, 1989.

An encouraging sign, according to Cahill, is that initial claims taken out last month dropped from 992 to 718. However, continuous claims rose from 4,202 in December to 4,914 in January.

Job losses recorded for the month were: construction (300), manufacturing (300), wholesale trade (100), retail trade (800), finance, insurance and real estate (200) government (100) and services (100).

Survey: Hiring outlook bleak

By The Associated Press

The hiring outlook has declined across the nation to levels last seen in the 1982 recession and even lower in the construction industry and the Northeast, a Manpower Inc. survey reported Sunday.

The drop marked the ninth consecutive quarterly decline in the survey performed by the large temporary-employment agency.

"While there is a slight seasonal improvement projected in the results, which is good news for job seekers, the economy-watchers will find little evidence that the recession has yet reached a bottom," said Manpower President Mitchell Fromstein.

Only 18 percent of the 15,000 surveyed businesses intend to add to

their work forces by the end of June, while 13 percent plan to cut jobs.

Construction, services, finance, and wholesale and retail trade are at or below 1982 levels, while manufacturing, transportation and public administration are above their 1982 troughs.

The typical second-quarter resurgence in construction is not likely to materialize. Just 22 percent of construction firms polled said they plan to add workers, and 17 percent were planning layoffs for the lowest employment expectations in the 15-year history of the survey.

In other industries, the telephone survey of companies in 469 cities shows:

■ Education: employment increases

planned by 8 percent, cuts by 13 percent.

■ Services: increases by 20 percent, cuts by 9 percent.

■ Transportation and public utilities: increases by 17 percent, cuts by 10 percent.

■ Manufacturing: durable goods, increases by 18 percent, cuts by 15 percent; non-durable goods, increases by 19 percent, cuts by 12 percent.

■ Wholesale and retail trade: increases by 18 percent, cuts by 15 percent.

■ Finance, insurance and real estate: increases by 13 percent, cuts by 11 percent.

■ Public administration: increases by 16 percent, cuts by 14 percent.

1985 34/91

Report: N.E. lost 250,000 jobs in '90

Agency says Mass. drop worst since the 1930s

By Diane E. Lewis
GLOBE STAFF

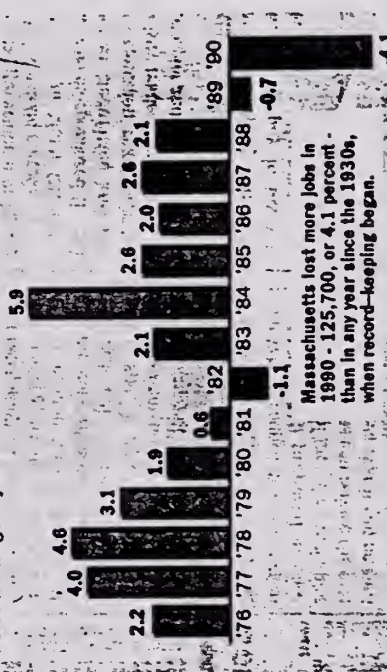
Employment figures released yesterday show that New England last year lost roughly a quarter of a million jobs — the region's greatest drop since at least 1947.

In Massachusetts, the numbers were just as stunning: The state lost 125,700 jobs, or 4.1 percent. It was its greatest job loss for a single year, in both absolute and percentage terms, since state record-keeping began in the 1930s, according to the Department of Employment and Training.

By comparison, the state lost only 1.1 percent of its jobs in the recession of 1982, and

Job losses in Massachusetts

Percent change in jobs, 1976-1990



SOURCE: Massachusetts Department of Employment and Training

GLOBE STAFF CHART

3.4 percent in the recession year of 1974.

Nils Nordberg, Massachusetts commissioner of employment and training, described the state's loss as the "worst since we began keeping these figures ... Almost every sector shows a loss."

In all, the construction industry lost 23,100 jobs, representing the greatest percentage loss for any sector, 23.3 percent. Wholesale and retail trade lost 42,600 jobs; manufacturing lost 33,600. Government lost 13,900 jobs, and finance, insurance and real estate lost 4,300. Services lost 8,100 jobs, or 0.9 percent.

In New England, total nonagricultural payroll employment plummeted last year by 246,500 jobs, or 3.7 percent. The US Bureau of Labor Statistics said this was the biggest drop for New England, both in absolute and percentage terms, since federal record-keeping for the region began in 1947.

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N.E. lost 250,000 jobs in 1990

■ DET

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It followed a drop of 114,800 jobs for New England in 1989. The two years of job losses combined have wiped out almost one-third of the total regional job expansion since the end of the 1981-82 recession," said Anthony J. Ferrara, regional commissioner for the US Bureau of Labor Statistics. "Reflecting the widespread weakness of the regional economy, all of the nation's industry divisions outperformed those of New England in 1990."

Overall, jobs increased very slightly nationally in 1990.

Although the news was grim, economist Paul Harrington said he believed Massachusetts and New England could rebound more quickly if the federal government intercedes soon.

"There are not a lot of good signals out there right now," he said. "There is a real need for active intervention in the Massachusetts and

'Blue-collar workers have borne the brunt of the job losses.'

PAUL HARRINGTON
NU economist

New England regional economy by the federal government.

"No one seems to be terribly worried nationally, but there is a tremendous problem in this region and if we don't get a response there is no reason to think the economy will turn around soon," Harrington said.

Federal statistics show that each of the New England states contributed to the region's decline in jobs in 1990, with Massachusetts accounting for almost 60 percent of the total job decline in the region. Massachusetts experienced the largest employment decline last year of all 50 states. The states with the worst percentage job losses last year were the six New England states.

Harrington, an economist at the Center for Labor Market Studies at Northeastern University, believes accelerating work on the third harbor tunnel and the Central Artery projects would go a long way to creating jobs and could jump-start the economy here.

And he recommends, as a long-term strategy, that the federal government assist Massachusetts in rebuilding a manufacturing base that has declined 20 percent since 1984.

"Manufacturing sparks growth," he said, referring to the high-tech boom that led to the Massachusetts "miracle" several years ago.

"This is very much a blue-collar recession," Harrington said. "Blue-collar workers have borne the brunt of the job losses. It's spreading to the white-collar sector, and it could continue to spread, but the hardest hit are the blue-collar workers in retail trade and manufacturing ... It's unfortunate. For the high school graduate who is not going to college, those jobs provided the kind of training you can't get in a classroom."

Cutting down to the bone

Services suffer
in strapped towns

By Royal Ford
GLOBE STAFF

When the frost heaves that scar the roads of Shelburne, Mass., collapse in spring's warmth, the damp craters they leave to rattle car and driver will go unfilled. Strapped for money after a cutback in state funds, selectmen have decided to shut the highway department on April 1. Then the two-man police department will be laid off.

The moves are part of the town's plan to balance its 1991-92 budget in the final quarter of the fiscal year.

"It's what they're calling a furlough these days," said Stanley Gawle, a Shelburne selectman, referring to proposals by governors in Massachusetts, Rhode Island, New Hampshire and elsewhere that state employees take days off without pay in the year ahead.

Shelburne is not alone. Small cities and towns across New England are paying a high price for the current recession.

"We're sort of typical of what's starting to happen," Gawle said last week. "We've been left out there to hang in the wind."

Local governments, racing to stay ahead of cutbacks in state aid and the increasingly difficult job of increasing and then collecting local property taxes, are hitting a fiscal wall.

Roads are not fixed. Aging fire trucks and police cruisers and ambulances are not replaced. Fire houses, police stations, town halls and libraries are not maintained. Public works and safety personnel lose their jobs. Teachers who manage to keep their jobs do not get raises or give back the raises they won in better times.

BUDGETS, Page 40

Strapped towns cut budgets to the bone

After required programs, little is left

■ BUDGETS
Continued from Page 39

Demand for local welfare assistance skyrocketed.

Meanwhile, taxes go unpaid on property owned by failed developers and businesses, or by homeowners who have lost their jobs or who don't make enough to keep up with rising tax bills.

When the telephone rings on the day shift at the Monson, Mass., police department, it is answered by a machine. "There is no one available to answer your call. If this is an emergency, call the Massachusetts State Police," the machine intones. There is no money for daytime police coverage.

Richford, Vt., went a step further than Monson last week. The town voted to abolish its police department and save the \$49,875 it would cost to run it another year.

When people look for welfare assistance in the shopping mecca of Freeport, Maine, these days, there is little the town can do for them. Seven months into the fiscal year, Freeport is out of welfare money, according to Town Manager Dale C. Omstead Jr. The town has also lost a police officer and a planning official.

And when teachers go to work in the New Hampshire towns of Deerfield, Campton, Wolfeboro, Rumney and Thornton in the months ahead, it will be without the pay raises they expected earlier. Teachers know that taxpayers don't have the money, and they are in various stages of forgoing their pay hikes. In Cornish, N.H., 13 teachers have given up a week's pay to help the town.

The wave of cutbacks is hurting the morale of townspeople, town officials and town employees, according to many officials.

It is harder to attract people to run for boards of selectmen, town and city councils, planning boards and school boards. Doing those jobs in hard times in small communities, where everyone seems to know everyone else, can win a lot of enemies.

"It's a pretty thankless job. The hours are long, the pay is low, and given the current situation, it's not a pleasant task," Stephen Gove of the Maine Municipal Association said last week.

"People are disenchanted with government. Individuals who are very enthusiastic about providing public service get beat up by their peers," added Susan Kennedy, the town manager of Standish, Maine.

Small cities and towns are strapped for several reasons.

"There is a decrease at both ends of the municipal revenue stream," said Sheila Cheimeta, director of the Massachusetts Municipal Association.

First, state aid is drying up as governors try to balance their own budgets. Yet the towns remain obligated to institute and pay for state and federally mandated programs.

Further, taxpayers say they cannot continue to pay inexorably climbing local property taxes even as their state and federal taxes go up. The lists of unpaid property taxes are filling rapidly.

"The buck is stopping here," Steven Jeffrey, director of the Vermont League of Cities and Towns, said last

week. "The problem is falling on our backs."

With the economic pressures come feelings of helplessness and often anger, officials said.

Town meetings, once a beacon of the democratic process, have been stripped of broad influence. County and school assessments, two factors in a three-point property tax burden, "arrive like a bill in the mail," according to Kennedy. Many individual towns have little say in them. And by the time voters get to address the third element — their town's budget — at a meeting, it is often so heavy with programs and entitlements required by law that people who want to save money can attack only essential service areas: police, fire, highway and other public works departments.

"We're not free to make a lot of decisions anymore," said Jeffrey.

"People feel increasingly despondent," said Kennedy. "They want to exercise that local control and they end up funding the mandates, but they don't fund the essential, basic municipal services."

In Monson, for instance, more than the day shift of the police department has been lost. Before the shift was eliminated, four dispatchers and a police officer were laid off. Some street lights may be shut off.

"We haven't done anything with capital improvement in six or eight years," said executive secretary Grace Makepeace, who manages the town.

The highway department used to fix a mile of road each year. That hasn't happened in eight or 10 years because of the tax-limiting Proposition 2½, Makepeace said. The ambulance is about 10 years old. Roofs have not been fixed. Town equipment has not been upgraded.

"It's the ordinary kinds of things that good management suggests you do that we are not able to do," Makepeace said.

When jobs are lost, services are cut and anger brews. Selectmen, councilors, school and planning board members — few of whom receive more than a few hundred dollars each year for their work — are blamed.

"It is definitely tough being a public official these days," said Reynold Perry, city manager in Rochester, N.H., whose city laid off or is not replacing 17 workers in a mid-year belt-tightening. "Most of us are not happy campers."

There may be thousands of unhappy campers at town meetings across New England this spring.

When Vermonters go to their meetings in March, for instance, they will learn that cities and towns across the state will have to raise \$44 million extra in taxes just to maintain current levels of services, according to Jeffrey. This added tax burden would be in addition to across-the-board state taxes proposed by the new administration of Gov. Richard Snelling. A struggling state is asking a struggling populace to pay more.

"The demand on government services goes up in a recession, but the ability for us to raise money goes down," said Perry. "It's a terrible situation for us to be in."

"This is a trend," lamented Gawle. "We can't do it with smoke and mirrors."

Alden Corrugated closes; 50 lose jobs

UBST
2/22/91

By Bill Ibbelle
Standard-Times staff writer

NEW BEDFORD — Alden Corrugated Contalner Corp., a company that has done business from its Church Street plant for 44 years, was to close today, leaving more than 50 workers without jobs.

The decision was made after an attempt to sell the company fell through earlier this week, according to Treasurer Benjamin Gottlieb. He said the sale was the last in a long series of failed plans to keep the company alive.

"We've talked to people about buyouts, new investment, partnerships and refinancing," he said. "But they all came to a dead end."

He blamed Alden's failure on the state's faltering economy and a dramatic decline in manufacturing.

"People put products in boxes. They don't put ideas in boxes," he said. "We rely on manufacturing. The growth to the state's high-tech industry, while good for the econ-

omy, was not good for the box industry. The volume of our box business has been declining for years."

Mr. Gottlieb said the company has been losing money for several months and there is no indication that trend would be reversed.

"We would be willing to absorb losses over the short term, but we just don't see this turning around any time soon," he said. "We have a large line of credit with the banks. They thought we were making a mistake by staying open as long as we did."

Employees didn't learn that the company would close today until two days ago.

"I'm in a state of shock," said David Rogers, a production planner who has worked at the company for 21 years. "I had a feeling this was coming, but I didn't think it would be so soon."

Mr. Rogers said he learned of the decision Wednesday when customers started calling to ask about plans to close the plant.

"The company president happened to walk through while we were trying to find out

what was going on and he told us it was true," he said.

Mr. Gottlieb acknowledged that the announcement was sudden.

"Our union contract mandates a 48-hour notice and we were able to comply with that," he said. "It would have been nice to give a 60-day notice, but we don't have the luxury of big companies like General Motors."

He held meetings Wednesday to inform personnel but said the decision came as no surprise to workers.

"They were disappointed and depressed by the decision, but I don't think they were terribly surprised," he said.

Mr. Rogers agreed, saying management kept the work force well informed about the difficulties the company was going through. But knowing the company was on the ropes did little to cushion the blow for workers who have been there an average of 20 years.

"Even though I knew it was coming I was

shocked when they announced we would close on Friday," he said.

Like other employees, Mr. Rogers is concerned about how he will support his wife and two children.

Last May, the company laid off 77 of its 138 employees in an attempt to streamline the operation. The company stopped producing finished cardboard boxes, keeping only enough equipment to produce sheets of cardboard to sell to other box companies.

Alfred Hetu, 52, was laid off in May after 21 years at the company and is still looking for work.

"I have had no luck whatsoever," he said. "You hurt and that's all there is to it. You just have to keep looking and hoping. But I'm afraid the economy in New Bedford has had it."

Buddy Carr also lost his job in May. Two weeks ago, he finally found part-time work at a local mini-mart. He said his weekly paycheck, which averaged \$438 a week at Alden, has been cut nearly in half.

As recession gets deeper, so does the air of gloom

By Jonathan Yenkin
THE ASSOCIATED PRESS

TAUNTON — Not long ago, this small city was a crown jewel in the Massachusetts Miracle.

With a classic blend of public and private sector initiatives, plus some cheerleading by then-Gov. Michael S. Dukakis, a onetime military outpost was transformed into an industrial park that became a business Mecca for southeastern Massachusetts. Dozens of companies flocked here, and unemployment hit 2.8 percent, its lowest level in recent memory.

Now, Taunton is an example of the state's latest economic phenomenon: rampant recession. Accountants and engineers have increasingly joined factory and construction workers in the unemployment lines, pushing the jobless rate back above double-digits.

Over at the Myles Standish Industrial Park, employment is off by a couple hundred jobs. And a new tenant, B & J Manufacturing Corp., hasn't been able to get the credit it needs to expand its business making jewelry and other gifts.

"The old rule of thumb is when Massachusetts has a cold, southeastern Massachusetts has pneumonia," said Richard Shafer, director of the Taunton Industrial Development Commission.

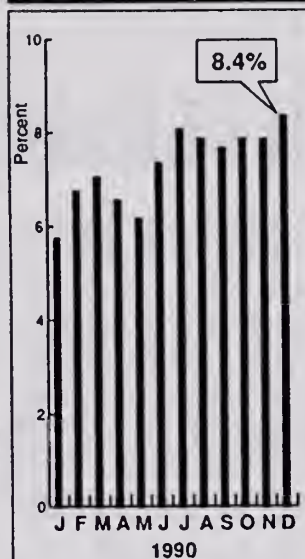
The short-term prognosis for Taunton, and for the state, is not good. Practically all of Massachusetts is ailing and getting sicker each month. The downturn was not unexpected after the booming 1980s, but the breathtaking speed of the state's economic plunge has caught almost everyone by surprise.

Experts say several factors — such as evaporating credit and jittery consumers — have combined to steepen the decline. Together, they have made this recession unlike recent downturns and threaten to impede the state's recovery.

"This could easily be the worst post-World War II recession Massachusetts has been in," said Gary Cimlino, chief economist at Fleet-Norstar Financial Group Inc. in Providence, R.I.

The recession has cut a wide

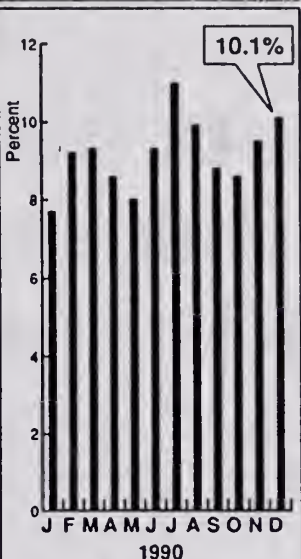
Brockton area unemployment



Source: Department of Employment Training

THE ENTERPRISE

Taunton area unemployment



Source: Department of Employment Training

THE ENTERPRISE

"We're not starving, but we're not going to any movies. And pizza is a real treat once a month. There's no social life except for the telephone."

— Unemployed father

swath across Massachusetts, hitting virtually all sectors from manufacturing and retailing to government and professional services.

It has gone from the board room of Digital Equipment Corp., which announced its first-ever layoffs this year, to a cellar in Swampscott where 48-year-old Jimmy Samms has been forced to run his electrician business out of his home.

A few years ago, when construction was skyrocketing, Samms says he would have orders lined up for several weeks at a time.

"Now we're lucky if we see a week in front of us. There's no backlog anymore," he said. "For a small business, it's difficult to hang on. It's a little scary."

Not everybody has been able to hang on to their jobs. The state's unemployment rate, now 8.6 percent, has nearly doubled in the last year, which translates to 268,000 people out of work.

Among them has been a 44-year-old father from Bridgewater, whose landscaping business collapsed and who has collected unemployment the past several weeks.

"We're not starving, but we're not going to any movies. And pizza is a real treat once a month," the man said recently at the Taunton unemployment office during a job-hunting search. "There's no social

life except for the telephone."

The rise in unemployment also translates to more school children qualifying for federally-subsidized meals due to their parents' financial troubles, education officials say. As of last October, the state had 9 percent more students receiving free or reduced-price meals compared with the year before.

Another indicator, bankruptcy filings, nearly doubled last year in Massachusetts to 10,132. That figure was almost three times as high as the 3,405 filings recorded in 1988.

The rise in bankruptcies, however, also illustrates how this recession differs from others, experts say.

For example, during the recession of the early 1980s, bankruptcies remained relatively stable and even declined between 1981 and 1982. That's because banks were healthier then and could extend credit to help keep businesses afloat.

During this recession, however, credit has dried up, and many businesses have lost their lifelines.

Chandler & Farquhar Co., an industrial supply distributor in Canton, was told last year by its bank to find credit somewhere else.

"Basically they were just scared," said Burt Isaacson, president of the company, which

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scrambled for months before finding a new lender. "Three years ago, they were throwing money at people. They couldn't get it out the door fast enough."

But that was before banks fell on rocky times. They flourished during the heady mid-1980s, as the state's prospering computer and defense industries helped fuel rapid growth in home and office construction.

Banks handed out real estate loans by the bushel, and bank profits and real estate prices soared.

But all that came crashing down after the high-tech sector started to slump. Suddenly, developers who couldn't find people to fill homes and offices also couldn't pay off their loans. The losses mounted for Massachusetts banks, pushing 11 into failure last year and, most notably, destroying Bank of New England in January.

With regulators clamping down, banks curtailed their lending. At the end of 1989, Massachusetts banks had a total of \$68.3 billion real estate loans and \$26 billion commercial and industrial loans, according to figures from the Federal Reserve. By the third quarter of 1990, those numbers had dropped to \$58.6 billion and \$23.1 billion, respectively.

Banks are trying to work with federal regulators to ease the credit conditions. But in the meantime, business experts warn that the state's economic future is being threatened.

Normally during a recession, people who lose their jobs sometimes decide to start businesses on their own. But without available credit, experts warn, those entrepreneurs might flee to other states.

"We're not even eating our seed corn. We're not planting our seed corn," said Mitchell Kertzman, president of Powersoft Corp., a Burlington software company.

Even though he began the company during the recession of the mid-1970s, Kertzman said he was able to obtain a line of credit to operate his business out of his bedroom; Powersoft now employs more than 100 people.

Aside from looking for fresh capital, businesses and politicians also are trying to stimulate the economy by pushing exports. Despite the emergence of Europe as a leading world market, Gov. William Weld said Massachusetts hasn't fully taken advantage of its position on the Atlantic Rim in promoting exports. Approximately 70 percent of Massachusetts businesses have never exported anything.

Another potential asset is Massachusetts' higher education and research base, but some economists warn that Weld's proposed cuts in public colleges could undercut the state's educated work force. Weld defends his proposals, saying they could make the higher education system more efficient while he tries to resolve an \$850 million budget deficit.

But according to some experts, what the state needs most is something that is perhaps least tangible — confidence. The almost daily fill of gloomy news has caused consumers and businesses to retrench, and the state's fiscal troubles, plus fears about the Persian Gulf War, have made matters worse, observers say.

John LaWare, a former chairman of Shawmut National Corp. and currently a governor of the Federal Reserve, compared the jittery public to a nervous swimmer in the ocean.

"If people sense where they can touch bottom, things will improve and confidence will return," he said.

Many economists predict the Massachusetts economy will begin to turn around by early 1992, trailing the nation's recovery from a milder recession.

But even then, the rebound probably will not be robust. The computer industry is not expected to surge like it once did, defense contractors will be hurt by further cuts in military spending and banks have a long way to go in working out their real estate trouble.

"It's going to be a slow crawl back," Cimlino said.

PTC 2/1

Harbour Mall slated for bank auction in Fall River next week

By **JOSEPH R. LaPLANTE**
Journal-Bulletin Staff Writer

FALL RIVER, Mass. — The Harbour Mall shopping plaza, in the city's South End, is scheduled to go on the auction block Thursday, Feb. 21, in a foreclosure sale scheduled by American Savings Bank of New York, which holds a mortgage on the complex.

The mall, owned by Phillips Holding Co. of New York City, houses three major businesses: Harbour Theatres, K mart and Bradlees. In 1986, the mall owner obtained an \$8.1 million mortgage from American Savings Bank.

The single-story shopping center, which the foreclosure advertisement says has a capacity of 34 tenants, contains roughly 200,000 square feet on 19 acres near Routes 24 and 81.

Reporters who walked through the mall Friday counted five vacant storefronts.

The sale surprised some local leaders, including City Councilor John R. Mitchell, a candidate for mayor.

"I didn't expect this, because it seems like a very popular place with the big anchor stores at Bradlees and K mart and with the theaters," he said.

"I think the losers will be the owners and the bank, to some degree, but the city shouldn't be af-

fectured if the businesses stay open until the situation is settled and another owner can be found," Mitchell said.

He said the mall is about 25 years old.

William Prayzner, director of the city's Department of Tax Assessment, said yesterday that he learned the mall was having financial problems when he saw an advertisement for the auction last week in the Fall River Herald News. Another ad was published in yesterday's Sunday Journal.

"I was really surprised about it, because I thought they were doing okay," Prayzner said. "A lot of us saw it in the paper and we were wondering what was happening."

Prayzner, reached at home yesterday, said he could not recall the tax assessment for the mall. However, the mall, according to published reports, paid \$199,000 in taxes in 1985.

Prayzner said the mall is paying about \$200,000 a year now.

"The tax rate hasn't fluctuated that much since 1985 and the valuation is pretty stable," Prayzner said.

Survey predicts layoffs in small businesses in 1991

Ten percent of the nation's small business owners anticipate laying off workers in 1991, up from 6% percent last year, according to Small Business Service Bureau, Inc. (SBSB) President Francis R. Carroll. The results are based on *Ballot Survey '90*, an ongoing written poll of SBSB's more than 35,000 member firms nationwide.

Gross sales have decreased for 34% of small business owners. In 1989, 25% of the respondents had a decrease and 1985 saw a 12.5% decrease in gross sales.

Over the last three years, 75% of

small businesses operated unprofitably or had profits of \$50,000 and under. Those operating unprofitably have increased from 13% to 15%.

The number of companies seeing a decrease in net profits is also on the rise, 42% this year compared to 32% in 1989 and 25% in 1985. Net profits are expected to increase for only 31% of those surveyed, down from the 1985 level of 48%.

An alarming 23% of small businesses plan to decrease purchasing in 1991, up from 13% in 1989.

Fifty-two percent of respondents feel the President is doing a poor job for small business: 44% think he is

doing well. This represents the highest level of dissatisfaction since the inception of the survey in 1983.

Despite this, 70% of small business owners support the government's establishment of a national health care system. If such a plan would guarantee coverage at affordable rates, the support rose to 85%. Also, 80% of the nation's small business owners support increased government regulations to control hospital costs and health insurance premiums, up from 68% in 1985.

Sixty-seven percent of America's small business owners feel the climate facing small business will deteriorate in 1991, almost 2.5 times the '84 level. In 1988 41% felt the climate would deteriorate opposed to 17% who felt it would improve. The 1990 percentage of owners who feel the climate may improve is at an all time low of 8%. Twenty-four percent expect stability.

"We are seeing all the classic signs of a recession", said SBSB President Carroll. "As purchasing, sales and profits decrease, small business owners are left with no choice but to reduced their staffs. The struggle to stay in business and pay increasing taxes is being felt by a much larger group of businesses across the country than ever before", he said.

Carroll said the nation's small business community is not currently supportive of the government. Their involvement on a business level with the government is at an all time low.

The majority of small firms do not conduct business with the federal or state governments - nor, according to the survey, do they have a desire to do so. Only 20% of the respondents have used the services of the SBA. Despite this cynicism toward the government, it is interesting that so many small business owners are supportive of government involvement to regulate health care costs. "Small business people feel that health insurance rate increases are out of control. The only solution they see is government intervention. Small businesses almost unanimously oppose government mandating benefits, yet they favor this drastic step of government involvement because they have lost hope in the private sector's ability to affect change in the current health insurance system", Carroll said.

Small business owners overwhelmingly indicate health insurance is the most difficult form of insurance to obtain as well as the most expensive. General liability followed in both categories.

The Small Business Service Bureau, Inc. is national membership organization for small businesses that provides its more than 35,000 members with legislative advocacy, management assistance, and a variety of group benefits and services. Most SBSB members employ fewer than ten people. Comparisons to previous years' survey results are available to media upon request.

Local economy has sickened, but isn't dead

By Jeffrey Burt
Standard-Times staff writer

Next month, Chamberlain Manufacturing Corp., once a giant in the munitions industry, will close its doors for good, ending a 23-year relationship with New Bedford.

Around the same time, Goodyear Tire & Rubber Co. also will shut down after 65 years in the city, putting more than 260 people on the unemployment rolls.

The closings continue a troubling economic trend throughout 1990 in which long-established manufacturing companies found themselves squeezed out of a changing — and struggling — state economy.

But while the plant closings garnered the lion's share of headlines during the year, some positive things also happened in the business community, things upon which people can hang their hopes in 1991.

"This year's been very difficult," said James Mathes, executive director of the New Bedford Area Chamber of Commerce. "Some of the major players in this economy are closing."

However, "It's not all bleak. There've been some positive things happen, too. I personally believe the worst of the days are behind us. I don't think we'll see anymore significant decline."

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What happened in 1990 did not surprise many people who had watched the economy nose-dive during 1989. But many said they were surprised at how hard the New Bedford area was hit.

"I don't think anyone could tell you they predicted this would happen," said Rep. Robert M. Koczera, D-New Bedford. "They might say they saw something coming; some layoffs, some closings. But not to this extent."

"I was very surprised," said Barbara Dubin, director of the Workers Assistance Program in New Bedford, who first noticed a downturn in spring 1989. "Things were relatively good in New Bedford. Real estate was very high. The real estate market didn't bottom out until several months ago. That it happened so quickly and went down so quickly is what surprised me."

The state's struggling economy and the evaporation of the much-touted "Massachusetts Miracle" touched virtually every facet of life in the Bay State, from personal to politics. Companies closed, people were laid off and politicians up for re-election had to answer to an angry electorate. Many did not survive.

□

In the New Bedford area, it seemed that each month brought news of plant closings. And each closing took
(See ECONOMY, Page A8)

■ Economy

(Continued from Page 1)

with it a piece of the city's history.

The roll call of major players that closed or laid off workers stretched from one end of the year to the other: Morse Tool Inc.; Alden Corrugated Container Corp.; Goodyear Tire; Misty Rose clothing (formerly the Elco Dress plant); Chamberlain; Nissen Bakery.

In Wareham, Sonoco Products, which made plastic bags, closed after 10 years. Read Corp. in Middleboro temporarily stopped production of portable sifters used in mining and construction.

AT&T ended a up-and-down relationship with Fairhaven when officials announced in February it would shut down its computer center on Mill Road by mid-1991.

A changing state economy, corporate decisions made elsewhere and the high cost of doing business in Massachusetts contributed to the local economy's demise.

For Chamberlain, which made artillery shell casings, the melting of the Cold War spelled its demise. Contracts with the Pentagon ran out at the end of the year, and the military has all the shell casings it needs.

"The (state's) economy is becoming a service economy and we're still tied to a manufacturing economy," Rep. Koczera said. "New Bedford is currently a manufacturing economy and that economy is crumbling."

"We have to get serious in recruiting business and industry to our area, preferably in the service industry. Also in the health care industry; that's a big-growth industry."

The city is too concerned with "cosmetics," such as the proposed Heritage Park, and not enough with using its limited resources to bring in businesses, he said.

"I'd love to see (Heritage Park) come here, it would do some good."

... But at a time when plants are closing down and people are lining up in unemployment lines, we need to use our public resources to attract businesses here."

Stephen Smith, director of the Southeastern Regional Planning and Economic Development District, said developing "homespun" companies should be a priority.

"New Bedford was particularly hit hard, with all the plant closings ... but it seems as though the decisions to close many of these places were not made in the New Bedford area. Their decisions were made from headquarters elsewhere in the country," Mr. Smith said.

"In order to really build a region's strength, you really have to have a good mix of home-grown businesses that have a stake in the region."

Some businesses, such as Sonoco,

were squeezed because of the high cost of doing business in Massachusetts.

"They closed primarily because it could not produce its product competitively in Massachusetts, mostly because of the cost of energy," said Constantine Yankopoulos, Wareham's community development director. "Sonoco was more an example of voting with their feet than changes in the economy."

The state should conduct exit interviews with companies that are leaving so it can find out what Massachusetts can do to keep others from moving out, Mr. Yankopoulos said.

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Like a dog at heel, unemployment closely follows plant closings. In the New Bedford area, hundreds of people lost their jobs, contributing to an unemployment rate that reached a seven-year peak at 10.2 percent in July.

"New Bedford pretty much always does have higher rates of unemployment (than the rest of the state), and a lot of that is because of the apparel industry," said Frank A. Cahill, senior labor market economist for the state Department of Employment and Training. "The apparel industry generates a lot of turnover; it lays off and picks up people quickly, so it inflates the unemployment rate."

"This has been the busiest year we've ever had," said Ms. Dubin of the Workers Assistance Program. "We have seen every kind of worker. When a plant closes, it has no economic boundaries. We can service the CEO all the way down to the workers."

From July 1 through November, the program has helped 757 people, about 200 more than during the same time last year. When Morse, Carol Cable and Middleboro's Maxim Inc., which made fire trucks, closed in late 1989 and early 1990, a temporary office was set up in the South End to take care of workers there, and did landmark business. That office will close in January, Ms. Dubin said.

But despite the swelling numbers, the placement rate in new jobs has remained almost 80 percent, she said.

"I'm waiting for my bubble to burst. This is based on the past. Don't forget, Chamberlain isn't closed yet and Goodyear hasn't closed yet," she said.

Ms. Dubin said she is seeing changes in workers as the job market tightens. Non-English-speaking people are more willing to learn English; people are motivated to get their high school graduate equivalencies and learn new skills.

"They're more willing to travel. Before, people didn't want to travel. People in the North End didn't want

■ Economy

to travel to the South End. They didn't have to with 3 percent unemployment. Now we're talking Taunton, Attleboro, and people are much more willing to travel."

Still, according to Mr. Smith of SRPEDD, the region still is suffering more than the rest of the state. The unemployment rate is higher, wages are lower and the economy still is tied to manufacturing. From 1977 to 1988, Bristol County lost 9.9 percent of its manufacturing jobs, while increasing the number of service jobs by 75.5 percent, he said.

Statewide, manufacturing jobs decreased 3 percent.

"That shows that this region was losing jobs faster than the state," Mr. Smith said. "One thing that the recession tells us is that Southeastern Massachusetts has not reached parity with the rest of the state."

□

But all was not bleak economically in the New Bedford area during 1990. The city's economic development director, John Leite, said various agencies in New Bedford found 3,103 jobs for workers.

Downtown, 19 new businesses opened, employing 88 people. In the North End, 17 new companies opened, hiring 82 new employees. Sixteen businesses opened in the South End, which resulted in 65 new jobs.

Also, the state Department of Job Training and the Job Training and Employment Council, which includes the Workers Assistance Program, found jobs for 2,812 people, Mr. Leite said. His own office matched another 56 workers with jobs.

"In an economy like this, I find that impressive," he said. "There is a negative effect when a plant closes down and people lose their jobs, but there also is a positive side with new companies coming in. I'm still very optimistic about what we'll see in 1991."

Businesses still are looking to move into the city, but with high energy costs and an unstable state economy, it takes longer — more work — to attract them, he said.

"In 1986 and 1987, during the good years, we hit home runs on a regular basis," Mr. Leite said. "Now we don't hit the home runs so easily. We're looking for singles, doubles, triples and occasionally we step up to the plate and hit a home run."

People also point to the expansion plans at Acushnet Co., Aerovox Industries Inc. and Polaroid, the last

of which is spending \$90 million, as shining lights in a somewhat bleak economic time.

In all, more than \$250 million is being invested in New Bedford, Mr. Leite said.

Also, according to Mr. Mathes of the Chamber of Commerce, city business and political leaders started a series of "summit meetings" in 1990 to discuss issues that affect both sides. They met more than a dozen times, talking about topics ranging from garbage to water rates, and plan to continue the summit meetings into 1991.

There were other positives signs during 1990:

■ The construction of sewer systems and a secondary sewage treatment plant will revitalize the dormant local construction industry, Mr. Mathes said.

■ Rep. Koczera joined Reps. John George Jr., D-Dartmouth, and Edward M. Lambert Jr., D-Fall River, in sponsoring new legislation to establish "economic recovery zones" to help attract business to high-unemployment areas, including New Bedford. That proposal will go before the Legislature next year.

■ A change in the gubernatorial administration should increase confidence in the state economy and any improvement there will trickle down to the local economy, Mr. Mathes said.

■ Statewide elections are over for the time being. Politicians spent most of 1990 highlighting the state's problems, increasing negativism during an already troubled time, Mr. Mathes said.

"It's a self-fulfilling prophecy," he said. "The state clearly had problems of its own . . . and all those things really happened, but it was enforced by people telling us about it every day and those were the politicians."

"Regardless who won or who lost, now that the elections ended, the negativism has ended. But it will come up again with the next election, because that's the name of the game."

□

The struggling economy also affected state and local politics. The downturn fueled an "anti-incumbency" feeling among the voters, which translated into a near-record high turnout throughout the state and the end of careers for many longtime politicians. "Time for

a change" became the rallying cry for the voters.

Locally, Rep. Denis Lawrence, D-New Bedford, and Sen. Theodore Aleixo, D-Taunton, found themselves out of a job, replaced by political neophytes Antonio F.D. Cabral and Erving Wall Jr., respectively.

Ronald A. Pina, Bristol County district attorney for 12 years, was defeated by local attorney Paul F. Walsh, in part because of the anti-incumbency feeling.

The biggest issue in the gubernatorial race — in which newcomer William F. Weld, a Republican, defeated newcomer John R. Silber — had nothing to do with the race, but dealt with the economy.

Banking on voters' anger, Citizens for Limited Taxation, the architects of Proposition 2½ a decade ago, proposed a ballot question that would have rolled back taxes and fees to 1988 levels. It was soundly defeated, 60 percent to 40 percent, but it competed head-on with the candidates for the headlines.

The initiative, Question 3, became more popular when legislators, indecisive on how to deal with the failing economy, hemmed and hawed

until the last minute before passing a tax package in the middle of the night in August.

Conversely, the economy was suffering in large part because of politics.

"The Massachusetts economy has suffered from the politics," Mr. Mathes said.

"In 1988, there was a presidential election going on in which there was almost a mandate, an official line, that said everything is rosy in Massachusetts, that this was the 'Massachusetts Miracle,' and anything that went wrong was swept under the rug."

He called the Universal Health Care Bill, passed while Gov. Michael S. Dukakis was running for

president, "the single largest mandated political contribution the business community ever made."

Few disagree that 1990 was a

There is reason to be optimistic, some say.

tough year for
the economy in
Southeastern Massachusetts.

With major manufacturers closing down, monthly reports of layoffs and a state economy whose bond rating dropped to the lowest in the country, it would be difficult to pick a more difficult year.

But there is reason to be optimistic, said some who were interviewed.

Southeastern Massachusetts still has the attributes that led to the boom years, including a trained work force, a good location between Boston, Providence and New York, relatively cheap land and good water and transportation systems.

Also, with the Central Artery project under way in Boston, businesses may want to relocate in this region rather than deal with the traffic snarls the project will cause during the next five years, Mr. Leite said.

But much of what went wrong was part of the natural course of business in a economically competitive society.

"We experienced a little bit of a spurt when the state spurted, but now we're back to normal," Mr. Yankopoulos of Wareham said.

Others agreed. Mr. Leite pointed to Chamberlain as an example.

"When you have detente in Russia and you don't have a Vietnam War, defense spending is cut," he said. "And those contractors who can't diversify will lose out."

As difficult as it was, the region has seen worse years than 1990, Mr. Mathes said.

"If you said what was the biggest loss ever suffered in New Bedford, I doubt it would be this year. It probably would be during the times when the city was a high textile area or when there was the whaling industry."

The Enterprise—Friday, Oct. 26, 1990

Texas Instruments business decline forces Attleboro, Mansfield cutbacks

By Terence Downing

ENTERPRISE STAFF WRITER

MANSFIELD — A decline in business has forced Texas Instruments to offer early retirement to employees at its Mansfield and Attleboro plants and to close portions of the Attleboro facility next week and for a week in November.

The company, one of the largest employers in Bristol County with 4,250 workers, announced the cutbacks this week in response to slumping sales.

The Attleboro plant employs 4,000 people involved in the fabrication of clad metals and the manufacturing of control devices and circuit breakers. The Mansfield facility employs 250 involved in the manufacturing of electronic connectors used in computers and missiles.

Norman Weiss, employee relations manager, said about 500 workers from the Mansfield and Attleboro plants are eligible for the early retirement plan, which takes affect the end of 1990. Eligi-

The company has scheduled two weeks in which employees from selected departments will have curtailed hours. One of the weeks will start Monday.

ble employees must decide by Nov. 16 whether they will participate.

Job counseling for employees considering the move will begin next week, Weiss said. Employees who opt for early retirement receive a pension plus a severance package that offers one weeks pay for every full year of service.

In addition, the company has scheduled two weeks in which employees from selected departments will have curtailed hours. One of

the weeks will start Monday. About 1,000 of TI's Attleboro workers will be affected, said Weiss.

Some departments will be shut down for the entire week. Weiss said about half of the 1,000 employees will be out of work for the entire week while the other half will be out of work for three days.

The second shut down will be Thanksgiving week. Employees normally have of the holiday and day after with pay, but the company is closing operations for three additional days the week of the 19th.

The company had a similar shut down around Labor Day. The early retirement offer is the company's second in nearly two years. About a year ago 120 employees took early retirement.

Dallas-based Texas Instruments posted a \$7 million loss for the third quarter ending Sept. 30, but continues a capital expansion plan. The company has spent more than \$700 million to develop nine computer chip plants around the world.

Chamberlain to close in January

280 workers will lose jobs

By Gretchen Fehrenbacher
Standard-Times staff writer

Chamberlain Manufacturing Corp. has notified the United Auto Workers that all manufacturing in the New Bedford plant will end by Jan. 4, laying off all remaining 280 production workers, union president Bruce Booker said Tuesday.

Mr. Booker said 105 workers will be laid off next month, with 50 people losing their jobs on Nov. 9 and another 55 on Nov. 21.

"Then, starting Dec. 21, the plant is starting to shut down all manufacturing operations at its facilities in New Bedford" over a 14-day period, Mr. Booker said.

At the end of that period — Jan. 4 — the remaining production force will be eliminated "so there won't be any union people left after this," he said. He said the shutdown could occur anytime in the 14 days after Dec. 21.

Efforts to reach Chamberlain vice president James Flaherty by telephone at the plant Tuesday and this morning were unsuccessful.

Chamberlain's announcement comes as no surprise. For months, the company has said that government contracts for the artillery shell casings that it manufactures were running out, and unless things

changed, there would be no more work after this year.

Mr. Booker said he and Owen Bieber, president of the international UAW organization, were notified by letter from Mr. Flaherty, in compliance with a federal law requiring companies to notify workers of plant closings or mass layoffs 60 days in advance.

So far this year, 290 workers have been laid off at the King Street plant. At the peak of its production in 1983, the munitions' plant employed 1,200.

Chamberlain has been fighting an uphill battle to keep the New Bedford munitions plant operating at a time when the defense industry's strategy is changing. The U.S. military has a stockpile of all the medium-size projectiles it needs for the foreseeable future, and Chamberlain's contracts for the shell casings are trickling to a halt as the year ends.

The letter announcing the shutdown came as no surprise to a union that has seen the plant gradually wither.

"We have talked about it over the last few years and looked for ways to avoid it, but it is hard to avoid with all the cuts in demand, so they (the government) don't use what we make

(See CHAMBERLAIN, Page A6)

NRST
10/24/90

Read closes; 100 jobless

By Terence Downing

ENTERPRISE STAFF WRITER

MIDDLEBORO — Suffering from a bulging inventory of unsold construction equipment, The Read Corporation of 25 Wareham St. has closed its manufacturing operations indefinitely, leaving 100 people jobless.

"I don't have to tell you how bad the economy is. People don't want to buy things," said the company's new president, Rodman K. Forter, who was elected to the post by the board of directors last month.

"We are taking these painful measures in order to respond to sales and inventory levels which have not performed as we had hoped," said Forter. "The company's long-term health and wellbeing are not in jeopardy, but we must adjust to the realities of the marketplace."

No date has been set for reopening production, Forter said. The company slowed production of its Screen-All equipment last month and ceased all production this week. Workers were notified of the shutdown Tuesday, Forter said.

Forter said restart of production depends on how quickly the company can sell its inventory of 175 pieces of Screen-All equipment, which is

READ

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used widely in construction, road building, excavation, landfill and mining operations throughout the United States.

The machines, which screen materials, were developed to eliminate the clogging and reliability problems found in traditional screening equipment. The company makes four different models, the biggest of which weighs 30,000 pounds and costs about \$125,000.

"Right now we're going to concentrate on selling our inventory. We have got get that inventory down to nil before we start production again," said Forter.

He said the company is optimistic about the potential for new markets, including the solid waste

management industry and overseas markets. Forter said solid waste management and recycling are areas that have only begun to be explored.

The inventor of Screen-All, James Read, who is chairman of the board and founder of Read Corp., said, "There is a surge of interest in coming to grips with the problem of waste. Our product provides some help by not only the separation of the refuse itself, but also the by-products of incineration, and the generation of daily cover for the dumps."

Read said the company believes its product "can save millions of dollars for municipalities and dump owners over a very short time through separating materials on site."

Forter, who had been the company's legal counsel, was elected

president after Read decided to spend more time on research, development and marketing. Forter is also the company's acting general manager. The company's former general manager was let in the spring.

In 1988, Inc. Magazine ranked Read Corp. among the nation's 500 fastest growing businesses. Read's expansion since 1982 placed the firm in the top 100 in the magazine's annual survey of the country's top growth leaders. The company had sales of \$100 million in 1987, an increase of more than 2,000 percent since 1982.

Read founded the company as an offshoot of his construction and excavation business.

Marilyn Hancock also contributed to this story.

Sonoco to shut; 100 lose jobs

Wareham bag maker blames utility, tax rates

By Patricia O'Connor
Standard-Times staff writer

WAREHAM — Sonoco Products, one of the town's top 10 employers, with an annual payroll of \$2 million, will close by Dec. 1 and lay off as many as 100 employees.

Rising utility rates and taxes prompted the decision to close the Cranberry Highway plant, which makes plastic shopping bags, said Timothy W. Brown, the company's office manager.

The closing will not only add to the number of unemployed but also cause a ripple throughout the town's other businesses, said community development Director Constantine Yankopoulos.

"We don't need this to add to Wareham's fiscal stress," he said.

The Sonoco announcement was the latest in a string of area layoffs.

Chamberlain Manufacturing Corp. in New Bedford is to begin layoffs of nearly 190 of its almost 500 workers beginning Friday. The plant makes artillery shell casings.

Another New Bedford company, Isoltronics Inc., laid off 30 of its 135 workers at the end of August and told about 90 others not to come to work this week as the plant cuts costs.

Mr. Brown said Sonoco's decision to close was based on two factors: rising electric rates and taxes.

(See SONOCO, Page A6)

Thursday, September 6, 1990
The Standard Times, New Bedford, MA

■ Sonoco

(Continued from Page 1)

"As a business decision, it doesn't make sense to keep operating in this area with costs what they are," he said. "The big debate was about our employees."

He said Sonoco will try to relocate the 100 employees to other plants throughout the country. Sonoco also has plants in California, Pennsylvania, Indiana, Texas, North Carolina, South Carolina and overseas.

If all 100 are willing to move, Mr. Brown said, they likely could find jobs with Sonoco. But he suggested that most of the employees, who live in Wareham and New Bedford, will not want to move.

"Unfortunately, they'll have to do one of two things if they're with Sonoco -- relocate or work for someone else," Mr. Brown said.

Personnel officials from the company's main office in Hartsville, S.C., will be at the Wareham plant in the next couple of months to help workers considering relocating.

As of June, the town's unemployment rate was 7.6 percent. If all 100 Sonoco workers choose to remain in the area and don't find work, the town's unemployment rate could rise

to as much as 8 percent, Mr. Yankopoulos said.

But the former Sonoco employees won't be the only ones hurting, he warned.

"We're looking at a \$2 million (annual) payroll we're losing. That's a substantial payroll that's not going to be patronizing local businesses. It's going to have a strong local effect," he said.

Sonoco has operated in Wareham for 20 years, according to Mr. Brown.

Chamberlain Manufacturing in July announced the layoffs of 190 workers. The layoffs, which begin Friday, will continue during the next few weeks, across job classifications and largely by seniority, according to James Flaherty, Chamberlain's vice president and general manager.

When the layoffs are complete, the King Street company will be left with roughly 300 employees. About 100 workers were laid off in April.

The U.S. military buildup in Saudi Arabia has done nothing to reverse the cuts in defense contracts that began in 1988 — contracts that have been Chamberlain's life blood.

"We have gone through a few 'what if' exercises with people in the Army in response to what might take place in the Gulf," Mr. Flaherty said

But "we have not had any new orders nor any new inquiries."

Further layoffs could come before the end of the year, Mr. Flaherty said.

At Isoltronics, meanwhile, General Manager Michael O'Connor said the plant has been working on a skeleton crew of 15 employees this week, but the other 90 workers are expected to return from their "four-day furlough" Monday. He said those workers did not get paid for their "furlough."

The workers at Isoltronics are not unionized.

Mr. O'Connor said the company, which makes packaging for electronic circuitry, is dealing with a sluggish economy and designed the layoffs and the furloughs as "cost-cutting measures."

"We're certainly not going out of business, contrary to rumors," he said. "We've just taken a few prudent and cost-cutting measures to make us more competitive in the marketplace."

He would not specify any of the other cost-cutting methods. Although the ownership, has changed hands several times, Isoltronics, Inc., has been in New Bedford for more than two decades.

Study: Mass. among worst industrial states

By JONATHAN YELKIN
AP Business Writer

BOSTON — High labor and energy costs help give Massachusetts one of the worst manufacturing climates among the industrial states, a study says.

The study, released Thursday by the Grant Thornton accounting firm, ranked states according to several factors. They include wages, education, workers' compensation costs and state tax policies.

Overall, Massachusetts ranked 25th among the 29 states with a "high-manufacturing intensity." North Carolina had the highest ranking, and the other states with a worse ranking were Maine, Texas, Connecticut and Michigan.

The study, however, did not include the recent \$1.2 billion tax package enacted by the state, which could also affect Massachusetts' rankings. It did note that Massachusetts faced a "large and damaging" budget deficit for the fiscal year that ended June 30.

The problems faced by Massachusetts were similar to those confronting much of New England, which economists say is suffering a recession.

The study noted that New England has one of the best-educated work forces in the country, but the region has high energy costs and rapidly rising manufacturing wages.

The problem has been particularly acute in Massachusetts. (See Mass., Page 2)

WEAKNESSES

- Troubled economy
 - High energy costs
 - Increased wages
- ## STRENGTHS
- Well-educated work force
 - Few work stoppages

gardens.

Mass. among worst states for manufacturing, study says

(Continued from Page 1)

State-regulated employment costs, such as workers' compensation insurance and unemployment compensation, are higher in Massachusetts than in all states except Michigan, Alaska and Connecticut, the study said.

"Although Massachusetts is a leader in industrial output, manufacturers here face higher costs than do their counterparts in many other states," said Sanford Edlein, managing partner of Grant Thornton's Boston office.

The manufacturing sector in Massachusetts has been shrinking, contributing to a sharp rise in unemployment. At the heart of this slump has been a downturn in computer manufacturing, as well as a slowdown in defense spending.

At the same time, the decline in

unionization in the Massachusetts work force was slower than in most states, counting as a negative factor for the state's manufacturing climate, the study found.

Massachusetts, however, was tied for first in the country in terms of man-hours lost, which measures the incidence of work stoppages in the state. Yet the factor carried the least weight in the state-by-state rankings.

The report offered some encouragement, saying "despite its immediate problems, Massachusetts continues to deserve its reputation as a center of manufacturing innovation."

In particular, the study found promise in start-up businesses specializing in biotechnology and composite materials, which are strong synthetic materials.

Cranberry damage reported

Growers say rain flooded bogs, destroying 5% of crop

By John H. Stevens
SPECIAL TO THE GLOBE

Last year it was a hailstorm that ruined some of the crop; the year before it was a fungus. But cranberry farmers were not ready for the rare and violent rainstorm on July 24 that flooded some bogs and destroyed perhaps more than 5 percent of the crop, or \$5 million worth, growers and cranberry brokers said last week.

"Every year it's something," said Peter Beaton, president of Cranberry Growers Service Inc. in Wareham. While it was not a disaster, Beaton said, "it eats into the profits a lot."

Beaton, who owns and manages cranberry bogs in Kingston, Duxbury and Middleborough, said he lost up to 5 percent of his harvest to the storm, which flooded bogs, causing the young berries to rot. Beaton said the storm will take \$44,000 out of his revenues this year.

In some parts of southeastern Massachusetts, eight inches of rain fell in four hours during the inundation, the kind of storm that statistically occurs about once every 100 years, said Mark MacQueen, of the US Soil Conservation Service. While rain was heavy across the region, Middleborough, Lakeville, Plympton, Kingston and parts of Duxbury were the hardest hit, growers said.

Cranberries were damaged in bogs that were flooded for more than three hours, said Jeff Carlson, director of the Cape Cod Cranberry Growers Association. Some bogs were under water for up to 30 hours, as dikes surrounding the bogs caved in and allowed more water from swollen reservoirs to fill them, Carlson said.

Some farmers may have lost up

**'Every year it's something. . . .
We're having a hard time meeting demand for cranberries. You want to maintain your rate of sales. If you don't, you can lose shelf space in the supermarket.'**

PETER BEATON,
President of Cranberry Growers Service Inc. in Wareham

to 50 percent of their crop, said John C. Decas, president of Decas Brothers Sales Co. in Wareham, the largest broker of berries in the state after Ocean Spray Cranberries Inc. Had farmers not applied fungicides to their bogs after the water drained off, Decas said, more than half of the total crop would have been wiped out.

No official estimates have been made of the total cranberry loss, but the US Department of Agriculture is expected to announce its estimate of the state's harvest in another week, Carlson said. Ocean Spray officials said they were still assessing the damage the July 24 storm wreaked on the crop.

"You really don't want to speculate too much at this point," said John Lawlor, an Ocean Spray spokesman. "Hopefully the overall

national crop will be just as strong if not stronger than last year."

But Decas said the Massachusetts crop will be the smallest in five or six years, after 1988's record harvest and last year's third biggest harvest. The harvest, measured in barrels of berries, would have been lower this year even without the storm's effect, because cranberry plants were pollinated late because of the cold weather in December and the cold, wet spring, Carlson said.

Because the total supply will be down, Decas said, he expects to be able to charge more to canners. The price gain will not make up for the loss, however, and farmers who lost berries will still lose profits, Decas said. Those farmers who suffered no damage from the storm will probably gain from higher berry prices, he said.

Decas and other growers are more worried about supplies than prices, though. The demand for cranberries has been growing fast, fueled by Ocean Spray's marketing campaigns, and growers are concerned they could lose market share if they cannot meet the rising demand.

"We're having a hard time meeting demand for cranberries," said Beaton, who sells all his berries to Ocean Spray. "You want to maintain your rate of sales. If you don't, you can lose shelf space in the supermarket."

Decas is also worried about the quality of this year's fruit. The rainstorm will result in less fruit of the quality required for sale as fresh, bagged berries, Decas said.

"The amount available for fresh fruit is usually not enough to begin with," Decas said. "This loss will further compromise that market."

Peace Dividend Cost Will Be High For Defense Contractors In Massachusetts

Blame it on Gorbachev. Glasnost has transformed the once fierce and war-like Soviet Union into a fluffy teddy bear, but peace, it turns out, is something of a mixed blessing. That is especially true in Massachusetts, which, because of its high concentration of large, defense-dependent companies, can expect a large share of the peace dividend to come directly out of its economic hide as the president and Congress move to carve enough out of the defense budget to begin closing the nation's \$170 billion budget gap.

The likely impact on the state and regional economy is outlined in a recent report by the Federal Reserve Bank of Boston, which concludes that reduced demand for defense-related products and services will cause severe disruptions for defense-oriented companies and their employees. The report, "Defense Cutbacks and the New England Economy," was prepared by Fed economist Yolanda Henderson, who emphasizes that while the impact of defense cuts here won't be as severe as those in the period following the Vietnam War, the negative effects will be magnified by the simultaneous downturn in the real estate, financial services and computer industries.

Massachusetts—with its skilled labor force and institutions of higher education—benefited mightily from the increase in defense spending, which grew from 4.8 percent of the nation's GNP in 1979 to 6.5 percent in 1986. In 1987, Massachusetts companies had more than \$22.4 billion in defense contracts in force.

Unkind Cuts

But responding to the new world political landscape, President Bush is seeking to cut the defense budget to 4.2 percent of GNP by fiscal 1995, and there are alternative plans which would reduce spending even further. Under the president's proposal, prime defense contracts would be reduced by 4 percent each year; under the more extreme plan, the reductions would amount to just under 9 percent an-

nually.

Whatever the precise level of cutbacks mandated, the impact of the reductions clearly will be most severe in the state's where defense spending has been greatest, and in New England, the leaders have been Connecticut and Massachusetts. Currently, companies in those two states receive 90 percent of the prime defense contracts awarded in New England. Proportionately, defense represents a larger share of the GNP in New England (6.2 percent) than in the nation as a whole (4.7 percent). In Massachusetts, defense spending makes up 6 percent of the GNP.

Just how many jobs will be lost as a result of defense cutbacks isn't clear, but some analysts estimate that each \$1 billion in defense cuts will cost the region 14,000 jobs. If that estimate is accurate, the president's proposal to cut \$4.1 billion from the defense budget would eliminate about 57,000 jobs in the region by 1995. The alternate plan would result in a loss of 134,000 jobs or about two percent of the region's current work force, according to the Fed report.

Where It Hurts

Most of the jobs lost, the report says, would be "better jobs" requiring above-average skills and carrying above-average salaries. A study of seven heavily defense-oriented industries in Massachusetts indicated that average annual wages in 1987 were 26 percent higher than in other nondefense manufacturing concerns, and 57 percent above average wages in non-manufacturing companies. For Massachusetts as a whole, 33 percent of the defense workers were in the highly paid professional and technical category, with 15 percent classified as engineers and 7 percent as engineering and science technicians. In the nonmanufacturing sector statewide, only 24 percent could be categorized as professional or technical.

Today, many of the state's largest employ-

continued on page 3

Peace Dividend Costs High In Bay State

continued from page 1

ers are defense-related, including Raytheon, General Electric, Textron Defense Systems, Draper Labs, and GTE. In addition, many smaller companies receive defense contracts as do area universities. Because of MIT and the Mitre Corporation, the report notes, Massachusetts ranks first in the nation in the value of defense contracts awarded to the nonprofit sector.

The impact of federal defense cuts, Ms. Henderson notes, would be most severe in communities where a highly specialized, defense-dependent company represents the only, or the primary source of manufacturing employment. Although many of the defense companies in Massachusetts are located in areas that have a variety of industries, the report points out, most of those other employers are in the service sector, where the pay scale is much lower than for defense workers.

On The Chin

Communities north of Boston will probably be hit hardest by the defense cuts, the Fed report predicts. Already depressed by a combination of overbuilding and lackluster buyer demand, the real estate markets in such communities as Andover, Bedford, Lexington and Wilmington could be further weakened if the major employers in the area are forced to slash their work forces.

Area Realtors, aware of the direct relationship between economic growth and home sales, are watching the defense spending picture nervously. Anthony Bergantino Jr., a broker with The Donovan Co. in Bedford, says there is particular cause for concern in his community, where Raytheon's missile and space systems, the Mitre Corp. and Computer-vision Corp. are all based. As activity in those companies winds down, Mr. Bergantino predicts, area brokers will feel the impact, particularly in a reduction in the profitable relocation business. But Mr. Bergantino says he hasn't felt the impact yet. "[The cuts] appear to be more of a concern for the future than it is right now," he noted.

The large GTE Government Systems facility in a Needham industrial park suggests cause for concern in this community, but there isn't much area Realtors can do about the defense spending trend except worry about it. "What can you do?" asked Louise Condon, principal in Louise Condon Realty, Inc. "We'll just have to wait to see what's going to happen."

F.B.T.

Region is wallowing in economic slowdown

By George Esper
Associated Press writer

The go-go days of booming economies in the Northeastern states are gone-gone.

The "Massachusetts Miracle" is a mirage. As Bill Mallon found, even some Salvation Army shelves are nearly bare.

Mr. Mallon said he made \$75,000 a year as a self-employed carpenter three years ago. But by last November, there was no work at all.

As a last resort in his direst moment, he turned to the Salvation Army one day recently, seeking canned goods to help feed his disabled wife and three children, and money to pay his utility bills.

"When your children say, 'Hey Dad, there's no food in the house, I'm hungry,' that really tears you apart," Mr. Mallon said. "I just came here to see if I could get some food."

His story is an extreme but not uncommon example of how the New England

It feels like

RECESSION

TODAY

Still winning from the 1970s recession, Massachusetts, like the rest of New England is watching warily as the defense industry folds, business lags, unemployment & loan foreclosures rise, and taxes soar.

SUNDAY IN BUSINESS:

The "credit crunch," retail sales, consumers prices, productivity, the gross national product, home sales, factory orders, trade, unemployment — a look at the factors behind recession.

recession, now more than a year old, has affected many working people with mortgages, mouths to feed, bills to pay. Economists don't forecast a rebound until next year.

The Massachusetts unemployment rate exceeded the national average in March for the first time in 10 years. New Hampshire showed a 50 percent increase last year in both bankruptcy filings and welfare applications. At Connecticut banks, the number of bad loans tripled last year, the largest increase nationwide.

The Massachusetts Salvation Army reported that the number of people seeking food and financial help had tripled at some of its community centers, and that food pantries were low.

The slowdown began in the same industries that drove the boom through the good times — computers and housing.

(See SLOWDOWN, Page D2)

Some see moving as a solution

By Christopher J. Chipello
The Wall Street Journal

Patrick Dolan runs an antique wholesale dealership in Boston. Jim Miller works in a suburban Boston bank. Ricky Troped runs a residential appraisal firm.

The three men grew up in the Boston area. And now, two have firm plans to

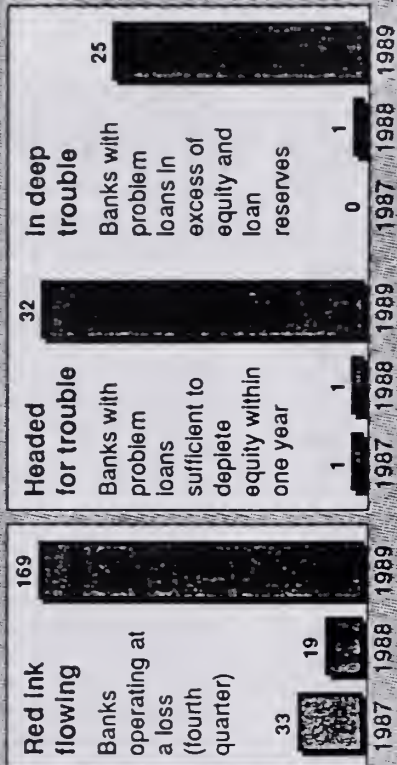
leave Massachusetts, while the one is considering leaving.

"The quality of life here has deteriorated significantly," said the 35-year-old Mr. Dolan, who is planning to move to North Carolina. His wife, Laurie, added, "It's just too expensive to live up here. We have two kids, and I really wanted to stay home (with them.)"

(See MOVING, Page D2)

MOUNTING WOES FOR BANKING

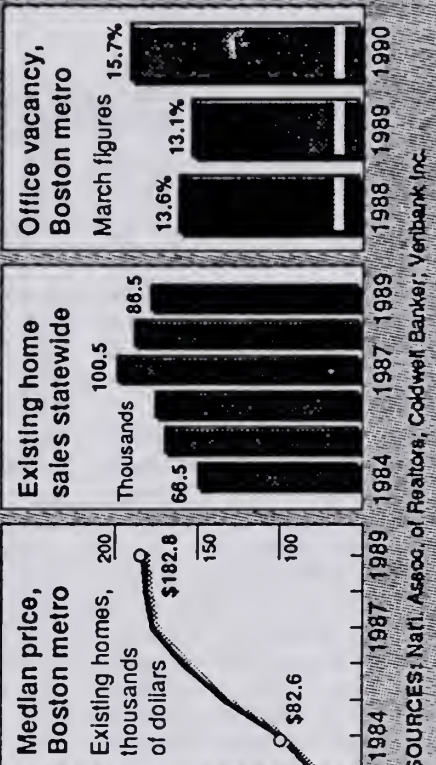
The number of banks in Massachusetts and Connecticut that lost money or had dangerously weak balance sheets skyrocketed in 1989



A LOOK AT THE REGION

SOFT REAL ESTATE MARKET IN MASS.

Prices of existing homes have leveled off in formerly booming Boston, while the number of homes sold has fallen statewide and office vacancies have risen



SOURCES: Natl. Assoc. of Realtors, Coldwell Banker, Venbank Inc.

Associated Press

■ Slowdown

(Continued from Page D1)

Computer companies found their markets squeezed by competitors at home and abroad. In the past year, for example, Wang Laboratories Inc. of Lowell laid off 8,000 employees, close to 30 percent of its work force. The company lost nearly \$150 million for the first three months of 1990.

As builders erected more housing, demand dropped. Massachusetts has a four-year supply of condos, estimated between 10,000 and 12,000 empty units. Desperate developers have slashed prices by up to 50 percent.

Office vacancy rates for multi-tenant buildings average more than 20 percent in Connecticut, Massachusetts, New Jersey, New York and Pennsylvania, Coldwell Banker Commercial Real Estate Services reported.

Bank of New England Corp. lost more than \$1 billion last year, much of it in bad property loans. The bank plans to eliminate more than 5,600 jobs this year.

Problem loans and repossessed real estate have nearly doubled at Northeast banks in the last three years, from \$18.3 billion (1.53

The banks used to let you go three, four months if you got behind in your mortgage. Now they're snapping them right up.

— Bill Mallon, carpenter

percent of total assets) in 1988 to more than \$36 billion, 2.79 percent of total assets by the end of 1989, said Veribanc Inc., a Wakefield bank rating firm.

Five banks or thrifts in the Northeast have failed already this year — two in the first eight days of June. In April, the government seized Home Owners Savings Bank in Boston, the largest savings and loan in Massachusetts.

By the end of last year, 32 banks in Massachusetts and Connecticut were losing money so fast they risked having their equity wiped out within a year, Veribanc said.

Still, analysts say the recession in New England is not as severe as the depression that rocked the Southwest after the collapse of oil and savings-and-loans. Some say this downturn may not even be as severe as earlier recessions in the region.

The Massachusetts unemployment rate was 5.5 percent in June, but that's half the 11 percent rate of the early 1970s, when the state verged on disaster.

But bankruptcy filings and foreclosures on real estate are on the rise.

In Massachusetts, bankruptcy filings nearly doubled in the first four months of this year to 2,474, according to Banker & Tradesman, a weekly banking and real estate trade publication.

The weak economies translate into problems for state legislatures, too. Sales tax and other collections have fallen short of projections in several states, yielding large budget deficits, tax increases and more layoffs.

New York state passed a record \$1.8 billion in new taxes, an increase of 6.4 percent over last year.

Massachusetts residents face more than \$1 billion in tax increases.

A decade ago, New England governors were riding a wave of economic growth to political heights. But now, with a reversal of their

fortunes, several have decided to bow out rather than face defeat.

Gov. Michael S. Dukakis won the 1988 Democratic presidential nomination partly on the strength of the "Massachusetts Miracle," which began unraveling even during his White House campaign. He announced more than a year ago that he would not seek a third consecutive term.

Vermont's Madeleine Kunin announced in April she won't seek a fourth two-year term.

Higher taxes are of secondary concern to Mr. Mallon, the carpenter assisted by the Salvation Army.

In the last few weeks, Mr. Mallon said, he's found some irregular work, though he's had to cut his fees by half. "It's not gangbusters, but it's something for the short range," he said. "Beyond that, I don't know."

He's still behind in his mortgage, as well as telephone, gas and electric bills. He had to drop his life insurance because other bills took priority.

Bankers don't have much sympathy.

"The banks used to let you go three, four months if you got behind in your mortgage," he said. "Now they're snapping them right up. Bad loans have gotten them in their own mess."

Jobless rate tops 10%

City, Fall River areas worst in state

By Rob Crowley
Standard-Times staff writer

For the second consecutive month, Southeastern Massachusetts posted the highest unemployment rates in the state in March, officials said today.

Greater New Bedford, at 10.1 percent — up from 9.7 percent in February — was second to the Fall River area, which had the worst rate in the state at 11.1 percent, said Frank A. Cahill, senior labor market economist for the state Department of Employment and Training.

Despite the highest unemployment in six years, Mr. Cahill said, a decline in the number of people applying for unemployment checks is a sign that

the economy is "turning the corner" toward a recovery.

In another positive sign, the region also had the fewest workers who permanently lost their jobs in March, indicating temporary slowdowns that should end in spring, Mr. Cahill said.

"We had a tough winter, and the rate was a little slow in coming down," he said. "But I think it will start to come down in April. In spring people seem to get out more and start spending money. Construction picks up, fishing and tourism pick up and hopefully, manufacturing will pick up."

From February to March, the number of manufacturing jobs in Greater New Bedford fell by 200,

to 17,200. In addition, three other categories, construction, wholesale trades and finance/insurance/real estate each fell by 100 jobs.

But the number of first-time claimants for unemployment insurance dropped from 582 in February to 514 in March. The number of continued claims dipped from 6,134 to 6,039.

Greater New Bedford includes the city, Acushnet, Dartmouth, Fairhaven, Freetown, Marlon, Mattapoisett and Rochester.

In all, 78,586 people held jobs in March in Greater New Bedford and 8,791 people were unemployed. That compared with 79,136 employed in February and 8,520 unemployed.

In the city of New Bedford, the March jobless rate was 12.4 percent, up from 11.8 percent in

(See JOBLESS, Page A8)

■ Jobless

(Continued from Page 1)

February. That was second again only to the city of Fall River, which had a jobless rate of 13.2 percent.

Unemployment also was on the rise in other parts of the state.

The Athol region tied Greater New Bedford for the second-highest rate in the state at 10.1 percent.

In the Taunton area, unemployment rose to 9.3 percent, from 9.2 percent in February.

In Greater Boston, the rate jumped slightly from 4.7 percent to 4.9 percent in March.

The statewide average for March was 5.9 percent, the first time in years it rose above the national level.

The U.S. average for the month was 5.4 percent.

New England banks mirror economy

Several indicators point downward, FDIC says

By The Associated Press

WASHINGTON — New England banks are showing signs of the region's slumping economy, according to a new federal report that details sagging profits and an increase in bad loans.

Just a few years after riding high as the nation's strongest economic region, New England is beginning to resemble the Southwest, where scores of banks have gone under.

The report by the Federal Deposit Insurance Corp. shows that profits for commercial banks declined in all the New England states but Vermont. Banks in Massachusetts and Connecticut reported overall losses in 1989. In all six New England states, the number of individual banks reporting losses increased.

Bad real estate loans more than doubled in the Northeast, where three New England states — Massachusetts, Connecticut, and New Hampshire — were among the 10 with the highest percentage of sour loans.

"We think New England is being hit by real estate problems now," Don Inscow, a senior banking analyst for the FDIC said Friday. "In the Southwest and in New England there's been some overbuilding."

Mr. Inscow said the chances for recovery in the New England banking industry are greater than in the Southwest, where local economies were less diversified.

In the Northeast, which the FDIC defines as New England, New York, New Jersey, Pennsylvania, Maryland and Delaware, there were 20 "problem" banks in 1989. In the Southwest, defined as New Mexico, Texas, Oklahoma, Arkansas and Louisiana, there were 611.

In most other respects, the indicators for New England pointed downward in the FDIC report.

"The losses really began to escalate in the fourth quarter, which suggests that we will see more bloodletting in 1990 and that is a major concern," said James Moynihan, a banking analyst for Advest Inc., a Hartford firm. Mr. Moynihan said that since 1987, 30 New England bank chiefs have been asked to resign their posts and since last spring, 35 banks have either cut or eliminated cash dividends.

"I don't see a light at the end of the tunnel," Mr. Moynihan said.

Commercial banking in Massachusetts appears to be among the hardest hit. The state ranked third in the nation behind Arizona and Texas

with 6.9 percent of its outstanding loans considered "noncurrent."

In the fourth quarter of 1988, the Bay State's 99 commercial banks reported \$1.7 billion in loans more than three months past due. By the fourth quarter of 1989, that figure jumped to \$4 billion. Profits, not surprisingly, slid during this same period. For all of 1988, Massachusetts banks reported \$920 million in profits. For last year, the banks lost \$390 million.

Not all of the slump in Massachusetts can be attributed to the troubled Bank of New England, which reported a \$1.1 billion loss last year. In 1988, only 4.9 percent of the state's banks reported a loss. Last year, 14.1 percent lost money.

"I think you're going to get more bad news," said economist Paul Getman of Regional Financial Associates of West Chester, Pa. "I don't know that you're going to get another Bank of New England, which is just a calamity.... The trouble is going to stay in New England and it's going to start to move down the coast."

In Rhode Island, where the percentage of banks in the red nearly doubled from 17 percent in 1988 to 31 percent in 1989, loans three months past due also rose sharply from \$223 million to \$411 million.

AT&T to close data center in Fairhaven

2/16/90

450 jobs will be phased out

By Jack Stewardson
Standard-Times staff writer

FAIRHAVEN — American Telephone & Telegraph Co. will announce a gradual closing of its Mill Road computer center, employing 450, a spokesman for state Sen. William Q. MacLean said this morning.

Aide Andrew Saunders said Sen. MacLean, D-Fairhaven, has been informed that AT&T would make the announcement on the closing as early as today. There was no indication on what the timetable would be.

The company confirmed earlier this month that the Fairhaven center was one of a dozen AT&T computer centers nationwide being reviewed under a consolidation study.

The company is trying to sell its more modern billing center building on Bridge Street. Earlier this year, Maryland developers had wanted to convert the site to a jail for prisoners awaiting trial in the federal court system.

"It's not a good situation for the town if AT&T does phase out the data center," said Executive Secretary Jeffrey W. Osuch. In addition to employing 450 at the data center, AT&T is the town's largest taxpayer, annually paying about \$825,000 for both of its buildings.

"That's about 9.2 percent of the tax base," he said. Although AT&T has not sought an abatement on taxes since putting the vacant billing center on the market, Mr. Osuch speculated that might be an option that AT&T would explore.

AT&T spokesman Michael Zeaman said last week that the consolidation study was under way. The centers provide information for billing, and keep long-distance customer records and corporate information.

The Fairhaven computer center was built as a long-distance switching station in 1972. After a decade of minimal use, the building was refurbished at a cost of \$15 million for data processing.

The closing will be the final chapter in the AT&T's troubled 20-year history in Fairhaven.

Since plans to build in Fairhaven were announced, the AT&T project experienced false starts and questionable decision-making. Rapid changes in technology plagued the project, as well.

The computer center remained vacant for four years after it was finished in February 1974.

The billing center next door, built in 1981, was projected to employ 500 to 600, but never employed more than 50 people.

Morse closes its doors for the final time

By Peter Hermann
Standard-Times staff writer

NEW BEDFORD — Union workers at Morse Tool Inc. spent Friday packing cartons with tools — the last batch of tools the plant will ever manufacture.

Then, at 4:30 p.m., the 25 workers filed out into the cold rain that was falling, bringing an end to the 125-year-old company and home of the twist drill.

"It is extremely sad," said Dennis Brady, president of Local 277 of the United Electrical Radio and Machine Workers Union. "Workers are overwhelmed at what has gone on the last 10 years."

Mr. Brady, speaking alone to a reporter inside the union hall across the street from the plant, said the

union is sponsoring a rally "to highlight the injustice of the recent rash of plant closings" Feb. 23 on the City Hall steps.

"Workers' rights have been destroyed by large corporations in America and now from abroad," he said in a press release.

The company, Mr. Brady said, could have survived if there had been "a lot less mismanagement in the last two and a half years. They spent a lot of money building up a big inventory and betting on sales that didn't happen."

Morse Tool was started by Stephen A. Morse soon after he invented his twist drill in 1861. At one time, its South End mills straddling Pleasant Street employed 1,000 people.

Gulf & Western Industries bought the company in 1968, but a 13-week strike by workers ended the relationship in 1983. In 1984, O&S Manufacturing Co. bought the plant for \$10.7 million.

But financial troubles landed Morse in Federal Bankruptcy Court in 1987. It listed its debt at \$17.9 million. That same year, the company was rescued by International Twist Drill Holdings Ltd., a Scottish firm that promised to get the company going again.

But the company never made it. After a series of layoffs, the company finally announced in November it would close.

Mr. Brady, who worked in the receiving department, is bitter. He blames the collapse on conglomerates taking over companies. He calls them "economic terrorists."

Mr. Brady said that when ITD took Morse over, many union workers were convinced the company's promise to bring back Morse Tool was not genuine. "It went downhill to this," he said. "That's how we saw it."

Mr. Brady said he questions how the company could lose \$250,000 a month, as it claimed. "How can you lose all that money? How can you be that stupid? I mean, come on. Who's kidding who?"

He said he will continue to fight for workers' rights and said he hopes all the workers who walked out the door Friday will continue to join unions. "There ought to be legislation filed to outlaw this system where people can't get a secure job."

Carol Cable to shut city plant in January

Union says all 350 employees will be without jobs

By Robert J. Barcellos
Standard-Times staff writer
10/21/89
NEW BEDFORD — Carol Cable Co. will close its South End plant by mid-January, putting about 350 employees out of work, a union official said Friday.
"The company told us at 2:15 p.m. (Friday)

that the company was closing the doors at Carol Cable," said Mark Rodrigues, chief steward of Local 219 of the United Electrical, Radio and Machine Workers.
In late September, Carol Cable closed one of its five manufacturing plants in Rhode Island, putting about 300 people out of work.

Officials said it was consolidating work in that plant with one in Pennsylvania.
They also said at the time that the closing was not expected to affect the New Bedford plant.
Company officials Friday said they were closing the New Bedford plant because "they

want to consolidate their production at plants in Pennsylvania and New Hampshire," Mr. Rodrigues said.
"There are 350-plus (union) members in the plant in New Bedford and the company's planning to completely close it by about Jan. 15," Mr. Rodrigues said. "They have a phase-out (plan) in three parts. They intend to let people go by departments and areas on certain dates."
Mr. Rodrigues said the employees were

upset when they heard of the closing because "of the years they have worked."
"We definitely want to stop this closing if possible," Mr. Rodrigues said. "That's our responsibility to the members."
Union officials plan to meet with the company to see if it intends to give its employees severance pay, he said.
"The reason for the closing — other than what they told — is still unclear. We feel (See CAROL, Page A10)

Carol

(Continued from Page 1)
there's another reason and we'll find out what that is," Mr. Rodrigues said.
The union spokesman said "a lot of the people's feeling is that the closing is due to mismanagement on the company's part." He cited as an example the company's investment "in machinery that has bombed," adding that "the people are paying the price for their mismanagement."
The local plant manager, Alan Kreiss, has an unpublished telephone number and could not be reached Friday night.
Carol's corporate office is located in Pawtucket, R.I., and its president is Samuel W. Perelman. The Standard-Times was unable to reach corporate officials in Pawtucket Friday.
Employees at the plant struck for 10 bitter weeks from Aug. 1 to Oct. 9 last year and finally accepted a three-year contract.
The Pawtucket-based operation is a subsidiary of Canada Wire and Cable Ltd. of Ontario, which, in turn, is owned by the Toronto-based conglomerate, Noranda Inc.
The local plant manufactures extension cords, coaxial cable and wire.
The New Bedford plant, which changed its name from Columbia Electronic Cables in 1987, opened in 1970.



